

Purchasing Week

McGraw-Hill's National Newspaper of Purchasing

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Vol. 3, No. 8

New York, N. Y., February 22, 1960

\$6 A YEAR U.S. AND CANADA \$25 A YEAR FOREIGN

For Seaway Shippers, '60 Is Year of Decision

The Outlook: Caution Plus A Few Smiles

New York—A curious mixture of caution and continued optimism marked last week's outpouring of business reports and statistics.

• McGraw-Hill's quarterly survey of new machinery orders showed that capital goods producers expect only a spotty 3% rise this year over 1959. In a similar forecast made last autumn machinery producers indicated they expected a rise of 6-7% in 1960.

• The Federal Reserve Board's index of industrial production soared 3% in January, to a record high (seasonally adjusted) of 169 (1947-49=100). At the same time, Gross National Product, the most comprehensive indicator of current activity, rose by nearly \$5 billion in the final three months of 1959 over the previous quarterly report.

• There were several warning signs from the auto and steel industries that the rate of growth indicated by the government statistics might soon be slowing down. These included a work-week reduction at General Motors' Buick plant in Flint, Mich. and a Chrysler layoff at Detroit. In steel, U. S. Steel Corp. President Leslie B. Worthington said he expected industry operations to decline from the current 95% level to 85% of capacity by the second quarter.

Industry observers could see the beginnings of a slack-off in (Turn to page 30, column 1)



PRICE ACCUSERS: Federal Attorney W. L. Maher, left, and staff elaborate at post-indictment press session. Firms deny his accusations.

U. S. Fires Biggest Antitrust Shot at Electrical Companies

Washington—Pricing practices of the electrical equipment industry are on trial as the Justice Dept. opens one of the most thorough and hardest-hitting antitrust campaigns ever launched against a single industry.

In a series of criminal and civil antitrust cases filed in Philadelphia last week against the industry's blue chip companies, the Justice Dept. once again is attacking an old nemesis—price-fixing, uniform pricing, and collusive bidding.

\$13,660—For Hats

Raleigh, N. C.—State Purchasing Agent Willis Holding had to nix a \$13,660 saving in his recent purchase of cars for the State Highway Patrol. Lanky troopers fit into the models of the low bid dealers, but their headgear couldn't make the low-ceiling squeeze. The North Carolina cops will drive Fords in making their rounds.

Antitrusters Have Evidence

Recent and decisive failures to make price conspiracy charges stick against the makers of Salk vaccine and 29 oil companies have raised some questions about the effectiveness of Justice Dept. prosecution on this subject. Despite these setbacks, government antitrust attorneys boast they have all the goods they need to make every single charge hold against the electrical equipment manufacturers.

Targets of the new attack are industry leaders—General Electric Co., Westinghouse Electric Co., Allis-Chalmers Manufacturing Co., I-T-E Circuit Breaker (Turn to page 29, column 1)



SMALLER AND SMALLER: Skewer holds 100 RCA thimble-sized nuvisors of new compact design.

Users Are Still Optimistic in Spite of First Year Delays, High Costs, and Inexperience

Chicago—Shippers waiting for St. Lawrence Seaway ice to break up aren't the jubilant men they were last year at this time. The high enthusiasm of 1959 has been tempered by a year filled with problems.

Shippers, purchasing agents, and suppliers who plan to use the waterway this season are wiser, fewer in number, and a bit discouraged by problems of delay, inexperience, and high costs that marred the Seaway's first year. A few have already tossed in the towel.

But most of the purchasing executives and others who talked to PURCHASING WEEK reporters still believe that the waterway holds great promise as a low-cost avenue of trade. They only need to be convinced.

Here are some of the reasons that early reverses may soon be forgotten when the ice breaks and the season opens about April 1:

• **THE SEAWAY:** Canada's Seaway Authority is spending \$5 million this winter improving the Welland Canal, a major bottleneck last year. Mooring walls are being lengthened, wooden sills are being replaced with steel, and fender booms are being moved back to avoid interference with ships' superstructure. These improvements will greatly eliminate the delays that plagued ship operators. Greater familiarity with Seaway operating conditions on the part of ship captains and crews is another plus factor.

• **PORTS:** Lake ports on both sides of the border are expanding (Turn to page 30, column 3)

This Week's

Purchasing Perspective

FEB. 22-28

PHILADELPHIA SHOWDOWN—The Sherman Act is on trial just as much as is the electrical equipment industry in the price collusion indictments handed up in Philadelphia last week.

Government attorneys are counting on a vigorous prosecution there to quiet critics who contend that modern legislation is needed to supplement the Sherman Act in policing present day industrial pricing practices.

That's the real significance for purchasing men and other top industrial managers in the identical bid and other antitrust charges that hit electrical equipment makers.

Although the Justice Department has been effective in its anti-merger cases, its recent record on price-fixing has not been particularly impressive. Identical bid charges against Salk vaccine makers were thrown out of court last fall, and the 29 defendants in the Tulsa oil case had an even easier time winning acquittal earlier this month.

In both the Salk and Tulsa trials, the federal antitrusters were able to muster only circumstantial evidence of price conspiracies. And in both instances, the presiding jurists ruled the government fell far short of proving it had a valid case of price rigging because it had no documentary evidence demonstrating a meeting of competitors and price agreements.

Failure of circumstantial evidence to stand up in the Salk and Tulsa cases fits neatly into a thesis that Senator Kefauver (Turn to page 30, column 1)

P/W PANORAMA

• **Here's How You Can Get Free Expert Help** in compiling a policy manual for your department. As a special service to its readers, Purchasing Week, in collaboration with Consultant F. Albert Hayes, has prepared a detailed instruction book on this all-important subject. You can obtain the guide gratis by using the coupon on p. 21.

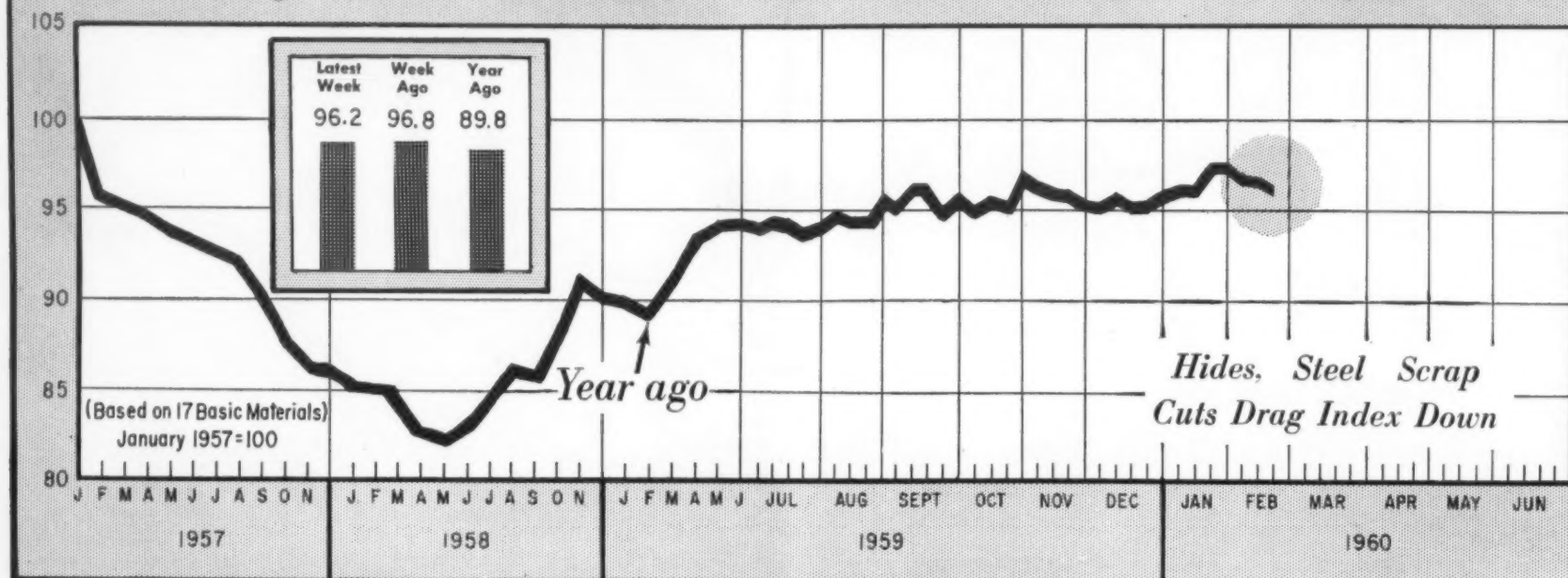
• **What's Prompting Talk That Business Is a Bit Slower** than expected? The surprising size of inventories, Washington experts say. For a roundup of their thinking—and the figures they use—see Washington Perspective on p. 4.

• **You Can Get Another Focus on Inventories** by looking at hours of overtime work. Our index has jumped back to 100 (as the figures on p. 4 show), mainly because the hard goods industries have been piling on the steam.

• **If Subcontracting Is Becoming More Important** in your supply picture, the Small Business Administration can give you some worthwhile tips on how to get the right suppliers. The article on p. 27 cites examples plus general background information.

Purchasing Week Industrial Materials Price Barometer

This index, based on 17 basic materials, was especially designed by the McGraw-Hill Department of Economics.



This Week's Commodity Prices

	Feb. 17	Feb. 10	Year Ago	% Yrly Change
METALS				
Pig iron, Bessemer, Pitts., gross ton.....	67.00	67.00	67.00	0
Pig iron, basic, valley, gross ton.....	66.00	66.00	66.00	0
Steel, billets, Pitts., net ton.....	80.00	80.00	80.00	0
Steel, structural shapes, Pitts., cwt.....	5.50	5.50	5.50	0
Steel, structural shapes, Los Angeles, cwt.....	6.20	6.20	6.20	0
Steel, bars, del., Phila., cwt.....	5.975	5.975	5.975	0
Steel, bars, Pitts., cwt.....	5.675	5.675	5.675	0
Steel, plates, Chicago, cwt.....	5.30	5.30	5.30	0
Steel scrap, #1 heavy, del. Pitts., gross ton.....	43.00	43.00	43.00	0
Steel scrap, #1 heavy, del. Cleve., gross ton.....	39.00	43.00	43.00	-9.3
Steel scrap, #1 heavy, del. Chicago, gross ton.....	37.00	40.00	44.00	-15.9
Aluminum, pig, lb.....	.26	.26	.247	+5.3
Secondary aluminum, #380 lb.....	.25	.25	.218	+14.7
Copper, electrolytic, wire bars, refinery, lb.....	.329	.331	.296	+11.1
Copper scrap, #2, smelters price, lb.....	.26	.26	.25	+4.0
Lead, common, N.Y., lb.....	.12	.12	.115	+4.3
Nickel, electrolytic, producers, lb.....	.74	.74	.74	0
Nickel, electrolytic, dealers, lb.....	.74	.74	.74	0
Tin, Straits, N.Y., lb.....	1.018	1.010	1.020	-1.0
Zinc, Prime West, East St. Louis, lb.....	.13	.13	.115	+13.0
FUELS†				
Fuel oil #6 or Bunker C, Gulf, bbl.....	2.00	2.00	2.00	0
Fuel oil #6 or Bunker C, N.Y. barge, bbl.....	2.37	2.37	2.37	0
Heavy fuel, PS 400, Los Angeles, rack, bbl.....	2.15	2.15	2.15	0
Lp-Gas, Propane, Okla. tank cars, gal.....	.045	.05	.055	-18.2
Gasoline, 91 oct. reg., Chicago, tank car, gal.....	.11	.11	.115	-4.3
Gasoline, 84 oct. reg., Los Angeles, rack, gal.....	.107	.107	.115	-7.0
Kerosene, Gulf, Cargoes, gal.....	.09	.095	.104	-13.5
Heating oil #2, Chicago, bulk, gal.....	.091	.094	.11	-17.3
CHEMICALS				
Ammonia, anhydrous, refrigeration, tanks, ton.....	90.50	90.50	90.50	0
Benzene, petroleum, tanks, Houston, gal.....	.34	.34	.31	+9.7
Caustic soda, 76% solid, drums, carlots, cwt.....	4.80	4.80	4.80	0
Coconut, oil, inedible, crude, tanks, N.Y. lb.....	.19	.195	.21	-9.5
Glycerine, synthetic, tanks, lb.....	.293	.293	.278	+5.4
Linseed oil, raw, in drums, carlots, lb.....	.176	.176	.163	+8.0
Phthalic anhydride, tanks, lb.....	.165	.165	.165	0
Polyethylene resin, high pressure molding, carlots, lb.....	.325	.325	.35	-7.1
Rosin, W.G. grade, carlots, fob N.Y. cwt.....	13.70	13.70	9.85	+39.1
Shellac, T.N., N.Y. lb.....	.31	.31	.30	+3.3
Soda ash, 58%, light, carlots, cwt.....	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton.....	23.50	23.50	23.50	0
Sulfuric acid 66% commercial, tanks, ton.....	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb.....	.056	.058	.073	-23.3
Titanium dioxide, anatase, reg. carlots, lb.....	.255	.255	.255	0
PAPER				
Book paper, A grade, Eng. finish, Untrimmed, carlots, cwt.....	17.20	17.20	17.00	+1.2
Bond paper, #1 sulfite, water marked 20 lb. car. lots, cwt.....	25.20	25.20	24.20	+4.1
Chipboard, del. N.Y., carlots, ton.....	100.00	100.00	100.00	0
Wrapping paper, std. Kraft, basis wt. 50 lb rolls.....	9.25	9.25	9.00	+2.3
Gummed sealing tape, #2, 60 lb basis, 600 ft. bundle.....	6.30	6.30	6.40	-1.6
Old corrugated boxes, dealers, Chicago, ton.....	20.00	20.00	23.00	-13.0
BUILDING MATERIALS‡				
Cement, Portland, bulk carlots, fob New Orleans, bbl.....	3.65	3.65	3.65	0
Cement, Portland, bulk carlots, fob N.Y., bbl.....	4.18	4.18	4.29	-2.6
Southern pine, 2x4, s4s, trucklots, fob N.Y., mftbm.....	124.00	124.00	121.00	+2.5
Douglas fir, 2x4, s4s, carlots, fob Chicago, mftbm.....	138.00	138.00	134.00	+3.0
Douglas fir, 2x4, s4s, carlots, fob Toronto, mftbm.....	118.00	118.00	112.00	+5.4
TEXTILES				
Burlap, 10 oz. 40", N.Y., yd.....	.104	.105	.106	-1.9
Cotton middling, 1", N.Y., lb.....	.333	.332	.357	-6.7
Printcloth, 39", 80x80, N.Y., spot, yd.....	.222	.222	.185	+22.0
Rayon twill 40½", 92x62, N.Y., yd.....	.235	.235	.22	+6.8
Wool tops, N.Y., lb.....	1.485	1.495	1.395	+6.5
HIDES AND RUBBER				
Hides, cow, light native, packers, Chicago, lb.....	.220	.235	.205	+7.3
Rubber, #1 std ribbed smoked sheets, N.Y., lb.....	.402	.394	.301	+33.6

† Source: Petroleum Week ‡ Source: Engineering News-Record

This Week's

Price Perspective

FEBRUARY 22-28

THREE BASIC MARKET FACTORS will determine the price tone of the next few months. And all point to relative stability.

• **Demand**—Buying, while at or near peak levels, is failing to live up to earlier forecasts. Both inventory and new orders are below anticipated levels.

• **Supply**—Production's amazing rebound from strike lows attests to American industry's recuperative power. January output, for example—up 3% from December—is at a record high. Productive capacity—more than enough for current needs—assures ample supplies at market-place prices.

• **Competition**—Growing competition—domestic (both within and between industries) and foreign—remains a potent factor. It's preventing some price hikes even where they might be justified by rising costs.

A FEW STATISTICS point up the current spotty demand picture.

Take inventories. Current rate of factory accumulation is running well below the \$2.5 billion increase predicted for the first half of 1960.

It's an indication that most purchasing executives are keeping their day's supply considerably below levels prevailing during the last boom (1956-1957). Better inventory control and tight money are responsible.

Take new orders—another excellent barometer of demand. Latest figures show hard goods orders rising, but still some 8% below the levels prevailing last spring. Based on previous experience, the rise is hardly enough to sustain the current rate of growth much beyond summer.

A new McGraw-Hill survey on the outlook for machinery orders supports a mixed outlook. While the survey forecast an increase for 1960 (3%)—some firms note they'll be lucky to equal 1959 performance (see story page 1).

CURRENT METAL TRENDS perhaps best reflect the supply outlook.

Look at steel. Capacity already in place—plus assured labor peace—mean that there'll be more than enough steel to go around for the immediate future. It would take a super boom to use up the 148.5 million tons that the steel industry is now capable of turning out.

Outlook is best summed up by U.S. Steel President L. B. Worthington who sees the second quarter rate falling to 85% of capacity (it's currently 94%).

The same is true of copper. Now that strikes involving 80% of domestic production are about over, supplies are rapidly approaching normal levels. Add production stepups in overseas areas (like Chile) and you have some experts predicting a surplus by midyear.

These surpluses are all bound to affect general output. **It means American industry won't be operating much over 80-85% of capacity for the year—hardly the climate for inflation.**

COMPETITIVE PRESSURES COMPLETE THE PICTURE.

It used to be that you only had to worry about the firm "around the corner" that made the same type of products as you did.

Not so today. **A shrinking world and technological advances have made for increased foreign and inter-industry competition.**

The effect of foreign competition is well known. A lot less is known about the inter-industry type—in many ways the most potent kind because it has the broadest sweep, cutting across whole industries.

Substitution is key word here. The fight between rayon and nylon tire yarn is a perfect example of this type of competition in action. It's made for two price cuts in a period of only 5 months.

A free-for-all fight among basic items—steel, copper, aluminum, plastics, concrete, paper, and glass is even more important. For it's helping forestall—or at least hold down—boosts in many of these key materials.

Jurisdiction Squabbles Now Hit Maintenance

Union Leaders Bicker Over Who Gets the Men Who Maintain Machinery on a Contract Basis

(Continued from page 1)

ing that the AFL-CIO's Building Trades Department is pushing the maintenance contract idea and recently took over five important phosphate plants in Florida where the International Chemical Workers Union had previously handled the maintenance work. In another case, the building trades signed to do the maintenance work for the Standard Oil Corp. of Toledo.

A number of purchasing executives, discussing this trend toward contracting for maintenance with PURCHASING WEEK, said that while it could spell greater maintenance efficiency and lower costs, "it is loaded with potential labor troubles."

A few said they were definitely considering such a move but others felt it best to hold off until labor made its views explicit on the matter.

"Labor always wants things done in the traditional way," said the purchasing director of a large New York container manufacturer. "The in-plant maintenance union might throw a picket line around the plant before you could sneeze."

At the moment, the union con-

tests center in the chemical and petroleum refining industries where automation has advanced rapidly. About half of the total membership of the AFL-CIO unions in both industries are maintenance workers.

In the steel and auto industries the maintenance crews represented by the steel and auto workers total 100,000 each. And because electronic equipment re-

quires fewer production employees and more repair and overhaul specialists the maintenance total keeps growing.

The industrial worker, as a consequence, is losing his advantage over the craft employee, and the building trades unions are beginning to expand in these areas.

The craft union technique, which caused the storm in the council meetings, is to sign up with a maintenance contractor as a block of construction unions. The contractor, in turn, signs with an industrial firm to handle

its maintenance work, relieving the producer of the burden of keeping permanent maintenance crews.

The bitter dispute led, at one point, to a warning by David J. McDonald, president of the United Steelworkers, to the executive council that any attempt by the AFL-CIO's craft unions to move into the steel mills would result in a strike.

Siding with McDonald was United Autoworkers President Walter Reuther, head of the federation's big Industrial Union

Department. He accused the building trades unions of raiding, "scabbing," and other violations of AFL-CIO rules.

This new inter-union fight is the result of failure by the AFL-CIO's executive council, in mid-winter meetings, to approve a peace formula for dividing up jobs between craft and industrial unions.

Negotiations will continue however at the urging of George Meany, president of the union combine. The international union presidents will continue to look for a way to finally terminate their battles. But they showed last week that this is indeed a long way off.

TV to Carry the Mails On Its Appointed Rounds, U. S. Post Office Says

Washington—The Post Office Department has launched a program to carry the mails via television. The new system, called speed-mail, is less than five years away, according to Wade Plummer, director of research and engineering at the Post Office Dept. It is being developed by Intelex Corp., an International Telephone & Telegraph Co. subsidiary.

Speed-mail, similar to Western Union's facsimile message transmission system, is expected to handle some 5 to 10 billion letters a year at costs ranging from 4¢ to 34¢/letter, the current regular to special delivery range.

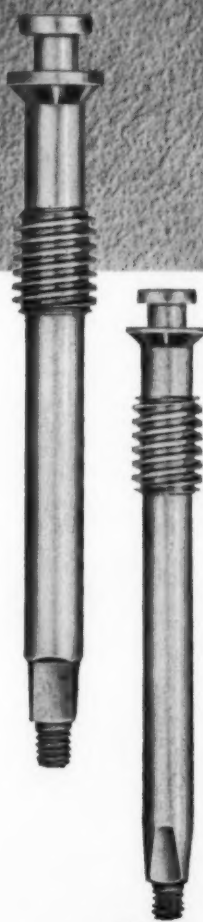
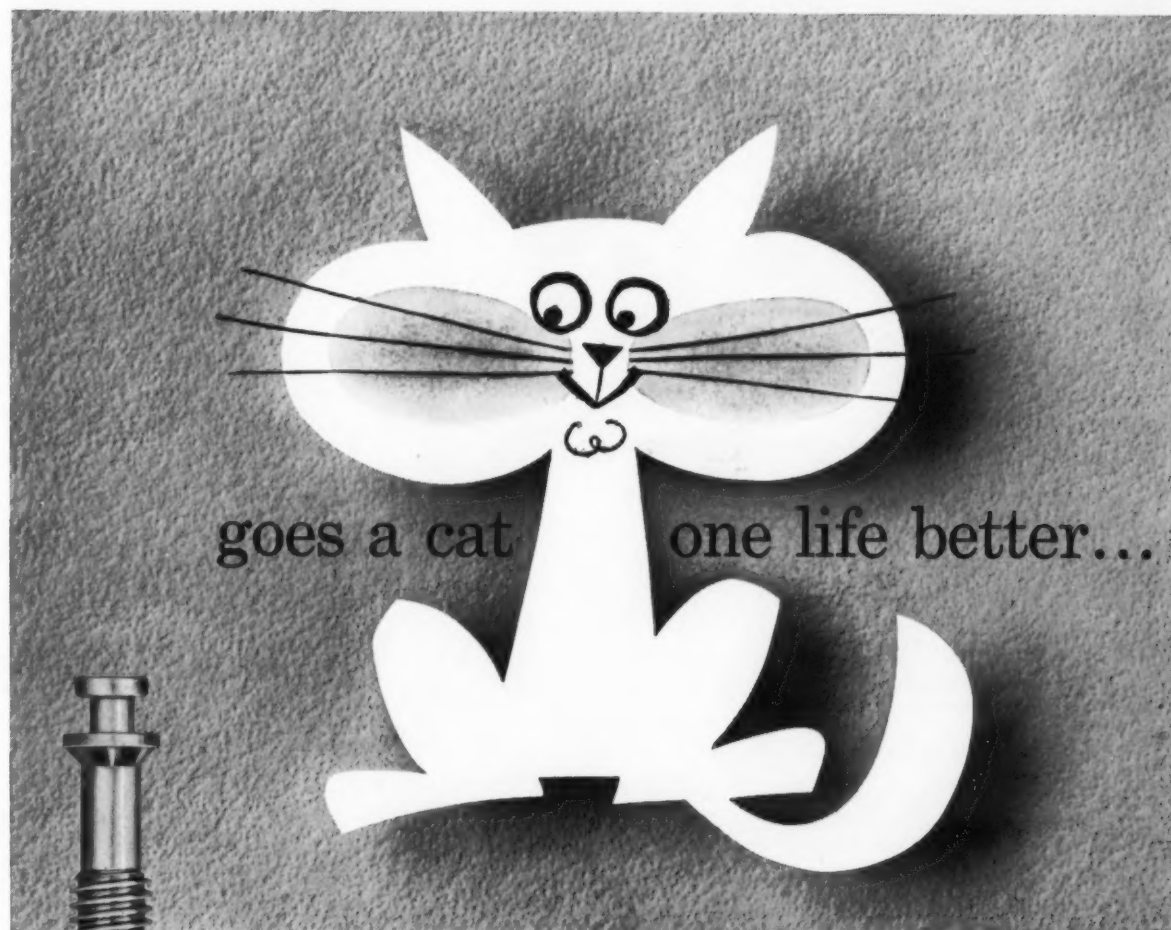
Transmission would be on commercial television-type cable and via microwave, which is also used for television transmission, during the hours when commercial companies are not handling TV.

The Post Office program got a big boost last summer from private industry, which had originally opposed speed-mail.

When the government announced, however, that it intended to rent wire, radio, and television lines as well as receiving and transmitting equipment, such companies as Western Union and the American Telephone & Telegraph Co. immediately warmed up to the project. They now admit it has these definite advantages:

- **Speed.** With current mail volume of 64 billion units/year expected to double in 25 years, speed-mail would diminish the physical hauling of paper in the already-congested mail system.

- **Increased efficiency for business.** Speed-mail will help business men effect transactions instantaneously.

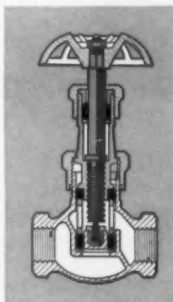


Bridgeport Duronze 707

A tenfold increase in service life... that's the outstanding contribution made by Bridgeport's Duronze 707 to gate valves manufactured by Ohio Injector Company, Wadsworth, Ohio. The big difference is in the valve stems. Duronze 707 not only provides exceptional strength in the stems, but also eliminates risk of seizing or galling. Thread wear is kept to a minimum. In addition, this corrosion-resistant alloy offers an important manufacturing advantage in good machinability.

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Washington Perspective

FEB. 22-28

President Eisenhower's goodwill trip to Latin America this week ties in with an Administration move afoot to substitute higher tariffs on imports of lead and zinc for present import quotas.

It won't take shape before this fall, and the White House will have a political problem arriving at an acceptable rate. But the reason for the move is this:

Domestic lead-zinc industries are split on the issue of adequate trade protection. Producers, particularly the small, strictly domestic mines, are unhappy with the present quotas, and are trying to get them extended and expanded through the Tariff Commission and congressional legislation.

International companies and smelters and processors want less restrictions, and are seeking 2½¢-3¢-per-lb. tariffs on metals and products instead—a figure high enough to satisfy domestic miners, but low enough to permit more imports than are now coming in.

There are indications the miners would accept the substitution if the rate was 3¢. Meanwhile, Latin American producers, particularly Mexican and Peruvian, also resent the quotas, and have hinted even a slightly higher tariff rate than the current .7¢ on zinc and 1.7¢ on lead would be preferable.

Up to now, the Administration has stuck by the quota formula adopted in the fall of 1958. Now, however, White House advisers see the possibility of winning friends both in Latin America and the domestic industry by substituting tariffs instead. The problem is to find a compromise rate that would satisfy both.

President Eisenhower will discuss the proposal on his Latin American goodwill trip. He could make the move in October, when Tariff Commission is scheduled to routinely report on how well the quotas have worked, after two years. Meanwhile, domestic miners will continue to press for new tariff legislation in Congress.

• • •

Washington economic experts pinpoint inventories as one of the biggest reasons that business has failed to make as fast a getaway this year as had been predicted.

They point to less need for inventory building.

Highlights are presented in two new reports: The Federal Reserve Board's report on industrial production and the Commerce Dept.'s report on Gross National Product. The two present a rosy picture of economic advance.

But you have to go behind the figures to really understand what's going on. The Fed's report showed January output up 2.7% over December. This was somewhat less than half the increase from November to January following conclusion of the steel strike.

Durable goods output accounts for practically all the January increase, jumping 5%. However, the board detects a slowing down in auto output for the early weeks of February, a reflection of the slowdown in retail auto sales. In the other big hard goods sector, U.S. Steel announces it expects to drop output to 85% of capacity next quarter.

These figures take on added significance in light of the Commerce Dept.'s revisions in GNP for the final quarter of 1959. The GNP rate was \$1.5 billion higher than expected.

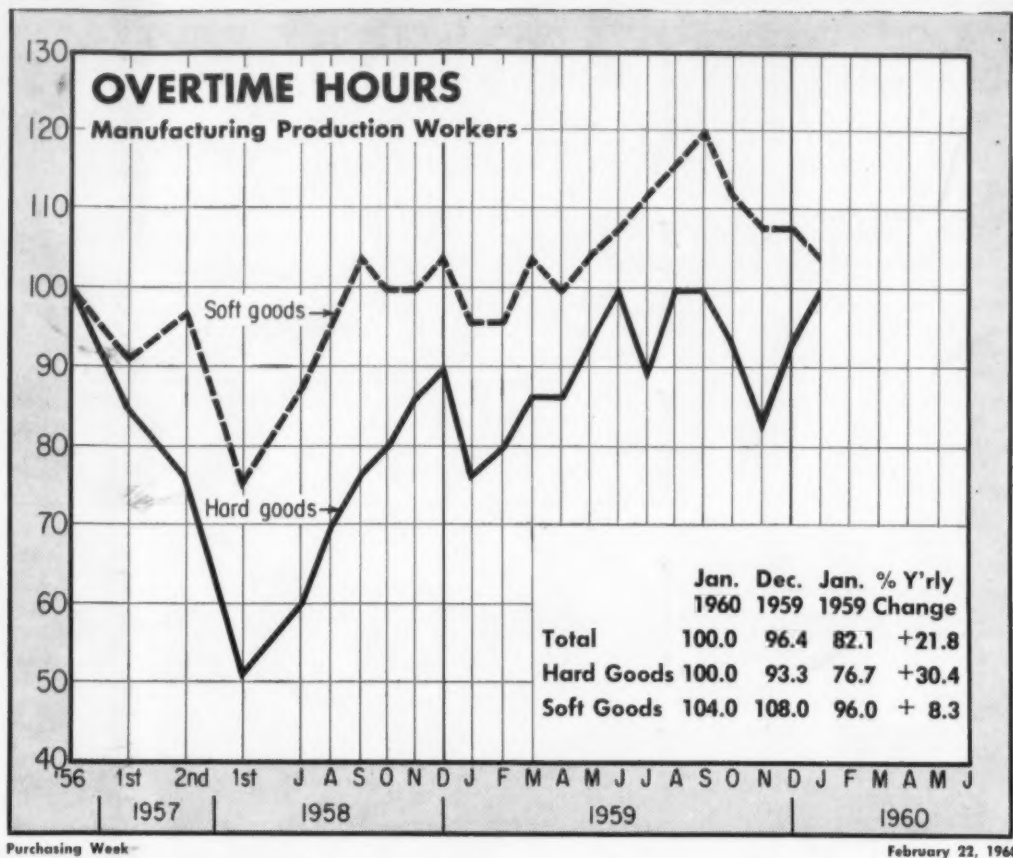
But note what accounts for the rises. It's inventories. Surprisingly, the value of inventories rose at a \$3 billion rate for the last quarter.

This runs counter to widespread expectations that inventory levels would remain stable during that period. It shows instead that there was moderate inventory building.

This is important for the current economic picture. It shows first of all that recovery from the steel strike was faster than had been anticipated.

Secondly, the economists feel it may indicate less demand for inventories now than was counted on. A good-sized inventory buildup the first half of this year was expected to provide the big spur to economic advance.

But with inventory rebuilding starting earlier, this could mean not so great a need for such now.



Employment Stays High; Overtime Index Soars 22%

New York—Employment, reflecting the sharp pickup in post-strike production schedules, continues to remain a bright spot on the economic horizon. Latest official statistics, covering January operations, reveal these optimistic developments:

• **Overtime**—The rush to catch up with backlogs has pushed PURCHASING WEEK's overtime hour index back up to 100 (1956 = 100). That's a sharp 22% rise above year-ago levels.

• **Employment**—Despite a seasonal decline of 1.9 million job holders over the month, some 64 million people were working in January. That was enough to set a new record high for the month—about a million jobs above last year's level.

• **Unemployment**—Discount the fact that jobless rolls increased by 600,000 in January. That's normal for this time of year. If you adjust the figures to take the seasonal factor into consideration, the unemployment rate remains unchanged from December at 5.2% of the labor force.

The increase in PURCHASING WEEK's overtime hour index is particularly significant—because the entire rise took place in the key hard goods area. The jump—spearheaded by steel-using industries—pushed hard goods overtime 7% above December levels—and an amazing 30% above a year ago.

That's in sharp contrast to soft goods, where actually some minor weakening was apparent in January. But even with the slight decline in soft goods, overtime in this group remained 8% above a year ago.

An industry-by-industry analysis of overtime is presented in the table above, right.

A closer look at employment data also lends further ground for optimism. Manufacturing employment—a key area as far as

Overtime Hours of Manufacturing Production Workers Index

% Yrly
Dec. '59 Nov. '59 Dec. '58 Change

Hard Goods

Ordinance & Accessories....	75.9	72.4	75.9	0
Lumber & Wood.....	93.1	97.0	90.9	+ 2.4
Furniture & Fixtures.....	128.6	114.3	110.7	+ 16.2
Stone, Clay & Glass.....	86.1	88.9	83.3	+ 3.4
Primary Metals.....	89.3	82.1	71.4	+ 25.1
Fabricated Metal Products..	100.0	76.7	93.3	+ 7.2
Non Electrical Machinery...	78.4	67.6	59.5	+ 31.8
Electrical Machinery.....	92.3	84.6	88.5	+ 4.3
Transportation Equipment..	89.7	65.5	131.0	- 31.5
Instruments.....	117.4	113.0	91.3	+ 28.6

Soft Goods

Food.....	106.1	109.1	97.0	+ 9.4
Tobacco.....	100.0	90.9	172.7	- 42.1
Textile Mill Products.....	123.1	123.1	111.5	+ 10.4
Apparel.....	108.3	133.3	108.3	0
Paper.....	93.5	97.8	93.5	0
Printing & Publishing.....	109.4	96.9	90.6	+ 20.8
Chemicals.....	104.3	104.3	95.7	+ 9.0
Petroleum & Coal Products..	80.0	90.0	70.0	+ 14.3
Rubber Products.....	100.0	89.9	135.7	- 26.3
Leather & Products.....	100.0	100.0	114.3	- 12.5

Industry Breakdown Is Available Through December Only

business trends are concerned—declined by only 75,000 during January. That's only half the usual seasonal decline.

As noted above, most other declines were basically seasonal,

and in no way dampen the employment picture. Such declines occur every year at this time—reflecting (1) winter curtailment of outdoor work and (2) the post-Christmas letdown in retail trade.

Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	2,699	2,687*	2,449
Autos, units	154,551	164,027*	115,491
Trucks, units	29,964	28,733*	24,907
Crude runs, thous bbl, daily aver	8,077	8,199	7,954
Distillate fuel oil, thous bbl	12,363	13,696	15,420
Residual fuel oil, thous bbl	7,178	7,634	7,354
Gasoline, thous bbl	28,266	29,050	26,762
Petroleum refineries operating rate, %	82.7	84.0	82.5
Container board, tons	171,272	164,286	157,890
Boxboard, tons	97,789	96,914	101,128
Paper operating rate, %	96.2	95.7*	90.1
Lumber, thous of board ft	237,535	247,956	227,523
Bituminous coal, daily aver thous tons	1,420	1,487*	1,403
Electric power, million kilowatt hours	14,071	14,097	13,156
Eng const awards, mil \$ Eng News-Rec	342.2	374.8	398.3

* Revised



New Century Electric motor provides low-cost power for fans, blowers, pumps and compressors.

New Century Electric part-winding motor gives extra smooth start

This new motor . . . at either 1200 or 1800 rpm's . . . will give smooth, cushion acceleration. No cogging, jerking or jarring equipment. Just dependable starting power with the same reduction in starting current of all Century Electric part-winding motors. A special winding scheme makes this extra smooth start possible.

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Reliable power—High quality construction fea-

tures include . . . coils insulated with tough polyvinyl acetal resin . . . windings dipped and baked with several coats of insulating materials that protect them against oil fumes, acids, dust and grit . . . rotors dynamically balanced so motors run smoothly and quietly . . . rugged cast iron frame assures long life and low noise level. Century Electric part-winding start motors are available in 20 to 150 hp sizes and in speeds of 1200 and 1800 rpm.

Application aid—A Century Electric application engineer will be glad to discuss your part-winding start problems with you. Century Electric also makes a complete line of motors . . . all sizes and types from 1/20 to 400 hp. For a copy of the new Century Electric Motor Application Guide, please write for bulletin 270A. For more than a motor . . .

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Prosperity, Seaway Boost U.S.-Canadian Trade

Americans Expect to Buy More Processed Goods; Shippers Anticipate Greater Bulk Cargo Moves

Ottawa—Canadian P.A.'s expect to step up their buying of U. S. goods this year. They also see a further rise in U. S. purchases of Canadian products—with growing emphasis on processed items.

The reasons for increased trade optimism between the two countries are:

• **Prosperity.** Both countries see themselves in the upswing of the business cycle with the peak still in the offing. Higher economic levels of activity in 1960 automatically mean rising demand for each other's goods.

• **St. Lawrence Seaway.** The new trade route along the St. Lawrence will continue to benefit both countries by increasing trade—especially bulk cargo—between them, and widening their trading area geographically as ports along both sides of the Seaway develop their facilities.

One important result, already in evidence, is the tremendous mushrooming of industrial plants on the south shore of the St. Lawrence across from Montreal. (For a detailed report on the outlook of the St. Lawrence Seaway, see page 1.)

• **Administrative efforts.** Government and private agencies are busy cutting away red tape to promote trade between U. S. and Canada.

Examples are: the equating by Canadian exporters of premium Canadian dollars with U. S. currency; the joint Defense Production Sharing Program which gives companies in each country easier access to the other's defense business; the promotion of Canadian gas exports to the U. S.

• **Canada's growing industrialization.** The industrial development of Canada is a major reason for optimism in the U. S. It enhances her potential as a market for our goods.

That's why it's significant for the U. S. that the sharp 1958 decline in Canadian outlays for new plant and equipment was reversed in 1959, and for 1960 a 4% increase in this vital category is planned.

Conversely, the development of her own industry will make Canada less dependent on us in some areas. The rapid growth of her chemical and rubber industries—largely financed by U. S. capital—are cases in point.

Each country had a fine business year in 1959. Canada's gross national product increased by 7%, ours by 8.4%. This was reflected in a 10% gain in our exports to Canada, plus an 11% rise in our purchases of Canadian goods (see chart at right).

For 1960, Canada and the U. S. each look for another 5% boost in national product. That means a further gain—though less than in 1959—in trade between the two countries.

It's trite to say that Canadian prosperity depends on the U. S. How important Canada is to our own economy, however, is often overlooked.

In 1959, for example, U. S. exports to Canada amounted to

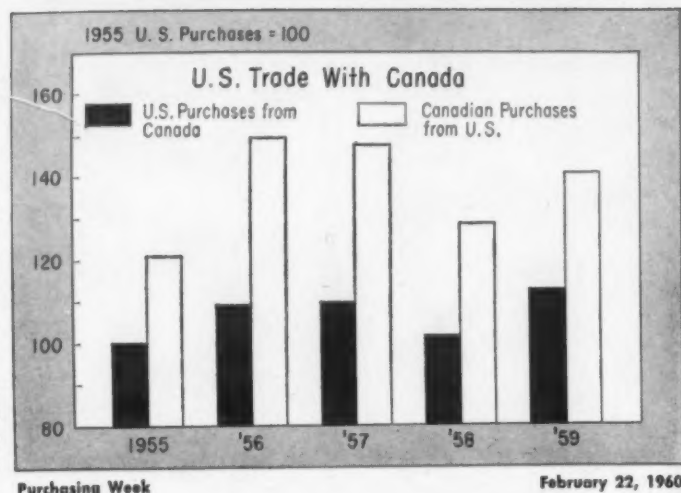
about 25% of total U. S. exports. And our Canadian purchases last year accounted for some 20% of all our imports.

These figures are the latest in a revealing trend in our changing trade pattern with Canada. For the past three years, our imports from Canada have been a declining percentage of our total imports—in 1957 they formed 22.5%; in 1958, 21.1%.

But our exports to Canada have accounted for a consistently larger portion of our total exports. In 1957, 20.6%; in 1958, 21.5%.

This fits in with the concept of rapidly industrializing Canada as a growing outlet for our own goods, while she is slowing down as a supplier of raw materials to the U. S.

These trends will be modified by changing general economic conditions, but they do indicate the developing relationship between the two countries.



FREE BULLETIN... TURN TRASH INTO CASH



Just produced by Handy & Harman—this new Refining Bulletin describes the great cash potential in precious metals industrial waste... lists many possible sources. Types and forms of refinings are illustrated photographically and described in text. Equally important, the bulletin calls attention to the fact that much of industry's valuable waste is truly wasted.

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Custom Smelters Blast Ore Quota System

Washington—Leading custom smelters, representing half the nation's lead and zinc output, stepped up their fight last week to end the "disabling" quota system on ore imports.

In a petition filed before the U. S. Tariff Commission, six major smelters called the quota system "a flat failure" and charged it has already forced one of their number, Athletic Mining and Smelting Co., Fort Smith, Ark., to close shop because of inability to acquire raw materials.

The six companies "are united on the fact that quotas are bad," said L. A. Cassara, of National

Zinc Co., which co-signed the petition along with American Smelting and Refining Co., American Metal Climax, Inc., American Zinc, Lead and Smelting Co., Athletic, and Matthiesen & Hegeler Zinc Co.

"We have to purchase 50% of our raw materials abroad, but we can't under the quota system," Cassara told **PURCHASING WEEK**. "Quotas have almost put us all out of business."

While domestic producers, who initiated the original quota system to protect sagging mine busi-

ness, refused to go along with the custom smelters' petition, leading mine-company executives admitted they would not oppose removal of quotas as long as there was some guarantee of increased tariff protection against foreign concentrate imports.

Just Hasn't Worked

"It's obvious the quota system just hasn't worked out for the custom smelters," said William J. Welch, president of National Lead Co. "But present tariff levels wouldn't offer us enough pro-

tection if the quotas were removed.

"If the government would go back to the original tariff of 2½¢ of 20 years ago," Welch went on, "we think it would be fairest for the entire U. S. industry, as well as for Mexican, Peruvian, and Canadian mine interests."

Beginning to Favor Tariff

Said another domestic producer: "Our company is beginning to feel that a tariff would be a more workable approach than quotas. While we were quite happy to see quotas give us some protection, we don't like to see the custom smelters being driven out of business."

"What we're afraid of now, however," he continued, "is that they might do away with quotas and not raise the tariffs, which would put us right back where we were before quotas with a lot of unemployment."

A Virtual Necessity

Most custom smelters agreed that, while they'd like to see an end to quotas, a higher tariff "is a virtual necessity for the health of the domestic producers."

An Asarco executive admitted, "Present tariffs are too low. Quotas are bad, but once they're ended they must be replaced with equitable tariffs of 2½¢ for lead and 2½¢ for slab zinc."

U. S. Files Suit To Block Merger By National Steel

Washington—The Justice Department last week brought an anti-merger suit challenging National Steel Corp.'s acquisition of 75% stock control of Metallic Building Co., a leading independent manufacturer of prefabricated metal buildings in the Southwest.

The suit filed in a Houston, Tex., federal district court cites National's position as the fifth largest steel producer in the U. S. and says National's subsidiary, Stran-Steel Corp., already is a major producer of prefabricated metal buildings. Stran-Steel's sales in 1958 topped \$15-million; metallic had sales of over \$7-million.

'Eliminates Competition'

The suit alleges: that the acquisition eliminates potential competition between Metallic and National's tran-Steel; it increases Stran-Steel's competitive advantage over smaller companies; and it may foreclose Metallic as a customer for raw materials supplied by steel producers competing with National.

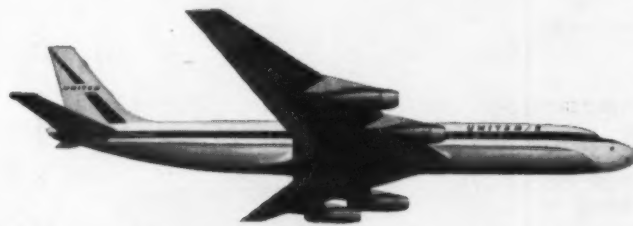
Antitrust Chief Robert A. Bicks describes the National acquisition as typical of a "growing trend" of integrated companies acquiring successful independents. According to Bicks, the new antitrust suit is designed to discourage integrated steel producers from "taking over a comparatively young and growing industry."

'Intercom' from Coast To Coast Launched by Harvey

Los Angeles—A new trans-continental direct voice communication system has been put into operation by Harvey Aluminum to speed handling of orders and technical data.

The new service, engineered by the Bell System for exclusive use of the company, permits direct communications between the firm's general offices and its regional factory branches.

"Direct lines are a time-saving improvement, enabling Harvey Aluminum to accelerate its program of better, faster service to customers," explained a Bell System official. "The service will simplify company communications, making it possible for sales and engineering forces to call in their orders immediately to the home office for processing."



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New Iron & Steel-Bureau of Census Reports Expected to Aid Buyers

New York—Steel producers, buyers, and transport facilities stand to benefit from new statistical reports to be issued by American Iron & Steel Institute and the Bureau of Census.

The reports will reveal the geographical destination of all steel mill products. The Institute's statistics will be issued quarterly starting with a report expected sometime in June covering first quarter 1960. Bureau of the Census figures will cover 1958 for comparison with 1947 and 1954, the most recent Bureau statistics.

With this new information, the steel producer will be able to:

- Detect signs of new industrial activity in certain areas.

- See evidence of slackening activity in areas.

- Decide where to look for new business in long term planning.

- Measure his own sales performance in any areas with that of the entire steel producing industry.

- Adjust the strength of his sales force as needed in any area, and study long term growth possibilities there.

Steel buyers will be able to:

- Compare their own individual shipments of certain mill products to see how they stack up in growth with totals in other areas.

- Note what changes are taking place in growth in various areas.

- Detect new consuming areas springing up.

Other industries expected to benefit from the new data, the Institute said, should include railroads and truck lines. Both might be expected to plan their growth to parallel that of the steel industry.

"Companies manufacturing machinery and supplies used by

metalworking firms will also welcome the data," explained a spokesman for the Institute.

Information on geographical destination of steel shipments has been in strong demand for many years, said the spokesman. The reports would have shown clearly, he added, such a trend as the westward movement of the population in the United States 25 years ago, which sharply stepped up the use of steel there.

Midwestern Railroads Postpone 'Agreed' Tariff

Chicago—Four Midwestern railroads again have postponed the effective date of their year-old "agreed charge" tariff, hopeful that the ICC will soon rule in their favor.

The tariff, pertaining to rates on seamless steel tubing moved between Sault Ste. Marie, Ontario, and Chicago, was initiated early last year by the Soo Line, under strong opposition from water and truck carriers.

It was published jointly by the Soo Line, the Milwaukee Road, the Chicago and Northwestern,

and the Duluth, South Shore and Atlantic, to take effect April 10, 1959. The effective date later was put off to Feb. 9 this year.

The new postponement to June 15, 1960 was voluntarily decided upon in the hope that the commission soon will rule on the validity of preferential freight rates for a carrier who agrees to give a railroad a specified portion of his total business.

The Soo Line's agreed charge tariff was the first such rate ever published in the U.S.—and still remains the prime "test case"

before the ICC on this rate-making system. Opposition to it, however, still hasn't lessened.

The New York Central Railroad, which also has filed a similar type tariff with the ICC which it calls a "contract rate," again urged the commission last week to approve the rate proposal.

The Central plan calls for reductions in the rate for shipping rugs and carpets from Amsterdam, N. Y. to Chicago. The published, but still not approved rate contract is with Mohasco Industries, Inc. in Amsterdam.



West Coast Terminals To Serve as Test Ports For Nonsecurity U.S. Cargoes

Oakland, Calif.—Ports and terminals at Oakland, Alameda, and Richmond will serve as test ports to climax a 10-year industry-wide effort to have non-security military cargo shipped over commercial piers.

The Army Transportation Corps last week authorized a six-month test for the movement of military cargo across commercial East Bay facilities. It has approved in principle the allocation of about 25,000 tons of military cargo to the commercial facilities at three East Bay terminals — Howard, Encinal, and Parr-Richmond.

Military tariffs filed by the terminals with the Federal Maritime Board went into effect Feb. 15 with the approval of the Oakland Board of Port Commissioners.

San Francisco Port Authority, working with its terminal operators and steamship lines, also has filed a military tariff with the Federal Maritime Board. Port officials decided on the move in order to be eligible for a share of Bay Area military shipments expected to be increased soon.

Bostitch office staplers *do* last a long time. It's not unusual to find models in excellent condition after 30 and more years of steady use.

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New Pressure on Depreciation Rules Builds Up in Congress

Washington—Additional legislative recommendations to step up depreciation writeoffs are headed for Congress. These will be coming from the Senate Small Business Committee which held lengthy hearings on the subject last year.

The committee feels that present depreciation policies are outmoded and tend to retard economic growth, instead of acting as a stimulant.

Rising prices and technological obsolescence are the key reasons for the dated depreciation setup in the United States. New equipment tends to become obsolete quicker in these fast-changing times, but businessmen find that replacements generally cost more because of rising prices.

Here are major recommendations the committee plans to make:

- Use a flexible formula that takes into account the impact of rising prices.
- Allow greater depreciation in the first years following purchase.
- Shorten depreciation periods to allow the cost to be written off quicker.
- Allow purchasers of used

equipment to obtain the same faster writeoffs now granted only purchasers of new production equipment.

• Initiate a triple-declining balance system of writeoffs (instead of only the double-declining balance now allowed) and a class system of depreciation, such as in Canada, which simplifies the depreciation schedules by lumping various types of equipment into broad categories.

H. K. Porter Co. Changes Mouldings Div. Name

Pittsburgh—H. K. Porter Co. has changed the name of its Mouldings Div. to Coldform Div. "to provide the division with a name that more adequately describes its services to modern industry."

The division's capabilities now include the production of cold finished structural and decorative parts and subassemblies using highly specialized roll forming, stretch bending, stamping and welding processes. Basic materials used are stainless and cold rolled steels, aluminum and brass.

International Resistance Co. Names New Distributor of Its Components

Philadelphia—An electronics parts manufacturer here has come up with a new products distribution system to permit buyers to purchase parts locally at factory prices.

International Resistance Co. is now selecting distributors around the country to act as factory warehouses for IRC resistors and controls. The distributors will be chosen by their proximity to major electronics industry centers.

Under the new plan, an IRC

spokesman predicted, laboratories and manufacturers will be able to obtain quick deliveries of all IRC parts.

The distributors will act as IRC's own industrial warehouses, the spokesman continued, under continuing control by parent company engineers. Thus, customer purchasing agents will be assured of fresh stocks and protection against obsolescence.

The warehouses, he said, will also stock special parts for specific customers.

Uncle Sam's Accountants Say Air Force Overpaid A Jet Supplier \$412,000

Washington—Government accountants charged recently that the Air Force paid \$412,000 in excess costs to an Ohio manufacturer for J-69 turbojet engines.

The report noted however that the firm—Continental Aviation and Engineering Corp., Toledo—has since refunded \$236,000 of this. It charged that the Air Force "for extended periods of time allowed the contractor (Continental) use of government funds which have now been returned."

The Ohio manufacturer, in his own defense, said the government accountants erred in picking individual contracts instead of over-all sales to judge profit results.

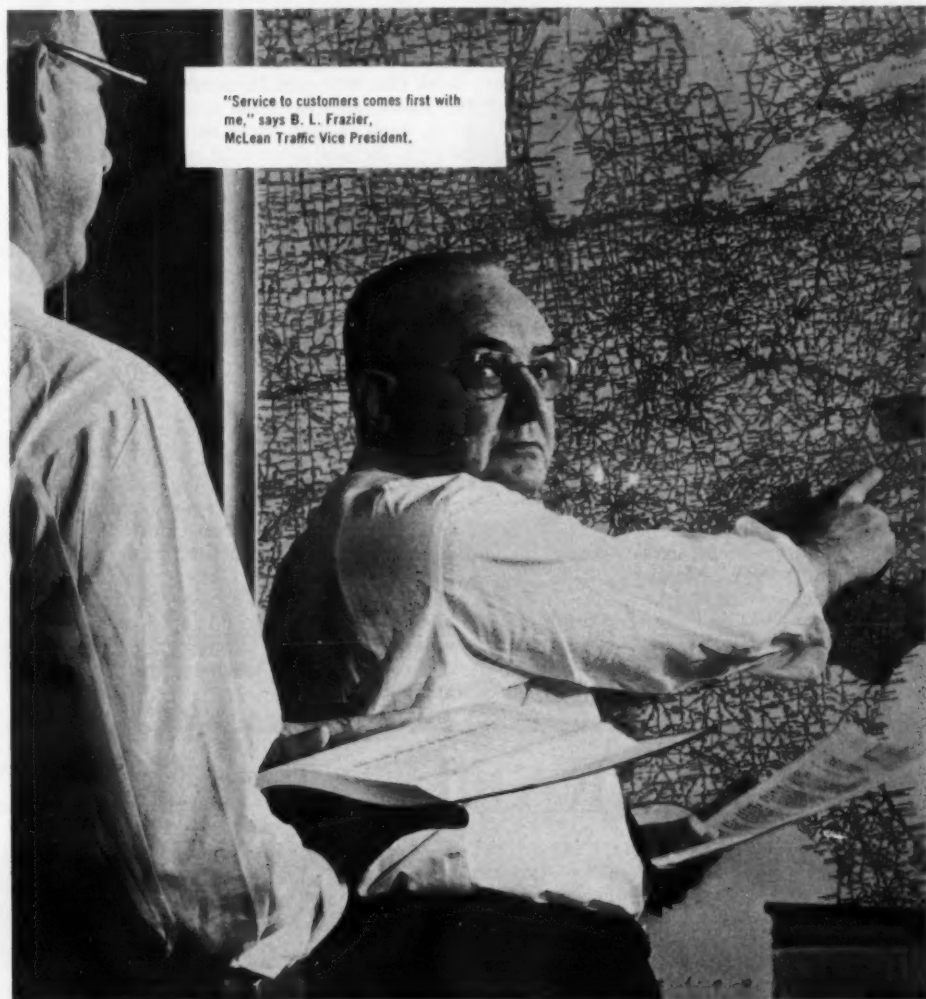
The government report blamed the situation, in part, on the Air Force's policy, in this case, of establishing firm fixed prices for the engines and failing to allow for repricing.

Compact Cars To Be New Standard Replacements

Seattle, Wash.—City purchasing agent Paul R. Hendricks has notified all city departments that compacts will be substituted for all cars coming up for replacement unless a larger vehicle can be "fully justified."

Larks and Ramblers will be purchased first, along with a limited number of Corvairs, Valiants, and Falcons for experimental operations. The newer compacts will be placed in pool operation and records kept to determine their suitability for city use.

Initial bids will be for cars of at least 127 hp and not less than 108-in. wheelbase, Hendricks said. City departments are now using mostly Fords, Chevrolets, and Plymouths.



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Purchasing Week

Vol. 3, No. 8

FEBRUARY 22, 1960

Print Order This Issue 26,538

P/W MANAGEMENT MEMOS

A collection of timely tips, quotations, and inside slants on management and industrial developments, along with a run-down of events and trends of use to the purchasing agent.

Why New Products Fail

It's not any lack of good ideas that kills off new products. It's poor management that accounts for two out of three new product deaths. That's what James W. Bannon, a partner in the management consultant firm of Booz, Allen & Hamilton says.

"The kind of product you decide to make determines the kind of business you will be in," he adds. "Therefore, the key to future business success . . . depends on your new product development." Yet, says Bannon, "Too often a product should be killed off at an early stage of development, but it is kept going because it becomes a pet project."

"The proper management of a new product cannot be relegated to the research and development department or engineering or advertising departments. It is essential to bring a total company focus on a new product at the outset." And, of course, that means purchasing has its contribution to make.

Ideas you feed to top management on price trends, new materials, reliability of suppliers, and marketing tips all play a vital role in assuring a high level of management coordination. Make sure your message gets across.

Who's Just Like Whom?

The battle of the O-Men rages. O-Men, of course, are those fictional organization conformists who have so excited the reading public in recent years. But now the issue of organizational conformity is becoming more clearly defined: Does the group loyalty of smooth teamwork stifle new ideas and creativity? No. The writers have distorted the whole problem, says General Electric Chief of Community Relations W. V. Merrihue. "Any firm needs a constant flow of creative ideas," he says.

He goes on to say that the "conformity cult" has "hood-winked" Americans by inventing such meaningless phrases as "organization man," and "status seeker." Such "pseudo-

sociology" has nothing to do with individuality and creativity, he adds.

The results of a recent survey by Opinion Research Corp. seem to back up Merrihue's view. According to the survey, more than 80% of managers interviewed thought they had enough freedom in job performance, enough chance to make changes, and sufficient recognition for superior performance. Chief complaint: There isn't enough time in the day to get everything done, say 90%. (Almost as many thought they wasted too much time in committee meetings.)

Surveys repeatedly have shown that top managers think the best middle manager is the man with the ability and fortitude to stand up for his own ideas, even though those ideas might be unpopular.

The Language Barrier

With more companies buying overseas, purchasing men are finding that knowledge of a vendor's own language can be a big help in negotiation. Not only does it make business transactions easier, it's good corporate international relations. Your customers and vendors seem to think a lot more of you if you are interested enough in them to have learned their native tongue (as do the Russians).

Every language from Arabic to Zulu is being studied by businessmen. For instance, Standard Vacuum Co. has its employees learn Indonesian before they go out to the oil fields. General Electric has engineers studying Russian. And the Berlitz Language School reports that some of its most enthusiastic pupils were P.A.'s from the New York Port Authority who learned French and Flemish before going to Belgium to set up the Authority's Worlds Fair Exhibit.

Instruction in the European languages costs about \$3 an hour in groups of six students and up to \$5 or more for individual tutoring at your office. Chinese and Japanese costs about a third more—because teachers are scarce and the language is difficult.

PURCHASING PARADE



P.A.'s who like fishing should take a good look at the prize above (40½ lb., 6 ft. 11 in.) caught off Miami Beach by George H. Salesky, Jr., new Manager of Purchasing for Worthington's Air Conditioning & Refrigeration Division. Here's the aftermath:

1) George's wife Eve says the mighty sailfish "is the main reason we bought a house with bigger wall space"; and 2) George has one of the slickest conversation pieces in the profession.

Paul W. Gann, new Staff P.A. for Chemstrand (Decatur, Ala.) has this unusual explanation for a golf trophy he won: "I refused to concede my opponent a 7-in. putt and he missed."

On a steadier basis, Paul is an expert woodworker, musician, and chemical engineer (he helped in the development of Acrilan). And he's one husband who has no trouble remembering his wife's name: It's Pauline.

Youngest P.A. in the Eaton Manu-

facturing Co.'s stamping division—Howard B. Gordon, 25—got his promotion a couple of weeks ago lying down (he was recuperating from an appendectomy). On his feet, he's a golfer (and former star baseball player at DePauw University). Asked whether he is a collector, too, he thoughtfully replied: "Sure, I collect nothing but kids."

Want to know what George H. Doherty did when he "retired" at 65 as sales rep for West Virginia Pulp & Paper? He immediately returned to the purchasing field with Globe Woven Belting. He's a past president of the Buffalo Purchasing Agents Assn.



Two weeks from now John R. Guyner, regional manager of purchases for Mobil Oil (Southwest Division, Dallas) celebrates his 37th anniversary as an oil P.A. The photo of him above is the most unrugged Western you ever saw. He's restoring law and order on his 550-acre working ranch.

Personal glimpses of P.A.'s as they march by in the news



Frank B. Mulford, new Purchasing Manager for Standard Steel Corp., is becoming the Lowell Thomas of the P.A.'s. On a European tour (he's shown in Tivoli Park, Copenhagen, above) he took some 700 color shots which subsequently got companion pieces from Bryce and Zion National Parks. Result: He and his wife, Dorothy, are getting a flock of club and civic invitations as travel lecturers.

High-style note: Harold A. Berry, general P.A. of the Rock Island Lines and chairman of NAPA's professional development committee, supervises his vast domain by riding around in a "business car"—a deluxe railway palace-on-wheels which includes the equivalent of a complete private business office.

The car, incidentally, is an irresistible magnet for suppliers and business associates; and it comfortably solves the problem of what to do when no hotel rooms are available.

Purchasing Week



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What is better for the P.A.—a centralized or decentralized purchasing operation?



E. C. Silver, director of purchases, Reynolds Metals Co., Richmond:

"Centralized purchasing offers better opportunity for formal, diversified, and extensive on-the-job training of personnel. In this type of organization a person with the proper initial qualifications, who has acquired the necessary training and experience, has access to any of the better jobs as they develop. An important responsibility of the chief purchasing officer in a centralized organization is to acquire, train, and develop people for future requirements; so this should automatically create better growth and development opportunities."



W. E. Davis, purchasing agent, Axle Div., Eaton Mfg. Co., Cleveland:

"Based on personal experience, I would say a decentralized system with relatively strong supervision exercised by a central purchasing policy group affords the individual the best opportunities. Under the decentralized system, the individual has better opportunities to become fully conversant with his plant's particular problems. He can see first hand the results of the decisions he makes and the actions he takes. I would not recommend decentralization to the point where the advantages of corporate buying power are overlooked."



F. B. Newbert, general purchasing agent, American Brake Shoe Co., New York:

"Centralized. Particularly when a concern has a number of dissimilar product lines. Instead of his experience being confined to materials and equipment for a single purpose, the buyer is exposed to many different problems and procedures. Even if the centralized department is organized on a commodity basis, at one location reassignment of duties inevitably occurs with reasonable frequency. Also, gradual and regular promotion is more likely when only a change of desks within a department is involved than when a major family move has to be considered."



G. B. Lederer, general purchasing agent, Metal & Thermit Corp. (industrial chemicals, plating products, etc.), Rahway, N. J.:

"Under a decentralized system the individual generally operates much on his own, being responsible to central control only for policy matters, etc. This permits a person with initiative and ability to prove his worth to his immediate location and to management. It broadens the individual, giving him the general background needed to handle diverse purchasing problems. In a centralized system his function tends to be narrowed to a small segment of the procurement function."



E. R. Blomquist, purchasing agent, Pyle-National Co. (industrial lighting equipment, etc.), Chicago:

"In general, I believe greater opportunities are provided by centralized purchasing. With certain exceptions, due to size or product line, purchasing personnel training programs are usually better organized; and broader familiarity with company policies, procedures, materials, and markets is possible. Appraisal of skills is easier and promising assistants can be promoted or transferred to other plants to assume larger responsibilities wherever needed. In most centralized operations, specialists in buying, expediting, and value analysis are developed from within the firm."



C. E. Meyers, purchasing agent, J-B-T Instruments, Inc. (electrical & temperature measuring), New Haven, Conn.:

"In comparing the difference, it is quite evident a centralized operation would provide better growth and development opportunities. Centralized purchasing offers the challenge of assuming greater responsibilities under which the sound techniques of the purchasing profession can be exercised. Decentralized purchasing is confined in many cases to routine clerical functions and lacks the coordination, control, and decision making necessary for establishing and maintaining the proper economic levels of inventory."

Follow-Up: Letters and Comments

The Changing Price of Zinc

Derby, Conn.

Under "This Week's Commodity Prices," you publish a late price weekly on various metals which include zinc.

Your Feb. 1 issue (p. 2) listed zinc at 13¢ per lb. It also gave the yearly change. Is it possible to obtain the price changes from June, 1958, to date?

Harry L. Gordon

President

Gordon Associates, Inc.

● As of June 1, 1958 the price was 10¢ per lb., East St. Louis. Subsequent changes were:

Oct. 2, 1958—10.02; Oct. 3, 1958—10.50; Oct. 8, 1958—10.78; Oct. 9, 1958—11.00; Nov. 7, 1958—11.05; Nov. 10, 1958—11.19; Nov. 12, 1958—11.50; Feb. 25, 1959—

11.00; Sept. 22, 1959—11.33; Sept. 23, 1959—11.50; Sept. 24, 1959—12.00; Oct. 23, 1959—12.04; Oct. 26, 1959—12.50; Oct. 29, 1959—12.61; Oct. 30, 1959—12.56; Nov. 2, 1959—12.50; Jan. 8, 1960—12.53; Jan. 11, 1960—13.00.

Tear Sheets Available

St. Louis, Mo.

I just recently read your article "What Salesmen Are Cooking Up For You in 1960" (PW, Jan. 4, '60, p. 1).

I enjoyed it very much, and if tear sheets are available would appreciate receiving them.

Edward A. Behrman

Director, Purchasing Services
Catholic Hospital Association of the
United States & Canada

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Foreign Perspective

FEBRUARY 22-28

London—Buyers see a shifting price pattern ahead for copper, rubber, and possibly tin. While these commodities continued firm last week, industry sources described the near-term outlook this way:

• **Tin prices.** While tin had been edging upwards since the end of 1959, an unexpectedly quick recovery of American inventories seems to have stopped the upward climb. Most buyers believe tin will hold steady for the rest of the year. Tin-producing members of the United Nations, less convinced of the strength of the tin market are now preparing to draft a world agreement on production limitations in mid-May as another price support.

• **Copper prices.** The copper market began feeling some after effects of strike

settlements in the U.S., which most observers here believe will pull market prices down over the next few months.

Supplies here, however, are still relatively short, precluding the possibility of any dramatic price falls.

• **Rubber prices.** Despite sustained international demand, rubber buyers are anticipating a momentary rubber price tumble. Current price levels, somewhat off the highs of late 1959, are still above what the industry calls "normal."

Moscow—Soviet scientists are confident that radiation chemistry will revolutionize oil refining and lead to hundreds—"even thousands" of new polymers and by-products of petroleum chemistry synthesis.

"The time is not far off," says Dr. L. S. Polak, head of Russia's Laboratory of Radiation Chemical Processes, "when radiation chemistry will occupy an important place among other methods of chemical processing of raw materials.

"This applies especially to oil chemistry," Polak continued. "It is possible that radiation chemistry will help solve the tantalizing problem of converting oil directly into such synthetic products as plastics, medical substances, alcohol, and synthetic rubber, by-passing innumerable stages necessary in ordinary oil refining methods."

Big advantage of radiation cracking of petroleum—which uses radioactive rays to break down the raw material—is the elimination of high-temperature requirements and catalysts to spur the chemical reactions. But, Polak admits, "we still have to solve the very important problem of finding an effective method of separating products obtained by radiation heat cracking."

Cairo—The Sinai Manganese Co., once a major source of supply for Bethlehem Steel, has started reconstructing its bombed out facilities at Om Bogma and Abu Zenima, on the Sinai Peninsula near Suez.

Production target of the firm is now set at 200,000 tons of manganese ore in 1960, all of which will be directed toward Western countries, including the U.S.

Before the Suez crisis of 1956, manganese was Egypt's main source of foreign currency after cotton. The mines and their equipment were totally destroyed by Israeli bombs during that action.

Now, however, with resumption of foreign relations with the West, and, more important, Great Britain, Egypt is re-equipping the nationalized company with English mining machinery. Orders have been placed for three Holman Rotair compressors with 600 cu. ft./min. capacity—the first British-built portable rotary screw-type compressors.

Most of the company's production is "ordinary" ore—21.46% manganese and 36.03% iron. Lately, however, Sinai has been trying to open new markets for its special high grade ore consisting of 60% to 90% manganese dioxide. Prices on the ore range from \$57.40 to \$143.50/ton, fob Suez.

Milan—Fiat Car Co. engineers believe they have solved the universal problem of total exploitation of plant and warehouse space.

Vice director Ezio Doriguzzi, the engineer who spearheaded the redesign of Fiat's spare parts warehouse, came up with the idea of installing elevators that can climb to the highest 32 ft. pallet rack and move up and down the aisle on a horizontal rail at the same time.

Each elevator has four stack racks onto which pallets are loaded by fork lifts. The elevator operator then takes the pallets to any of the eighteen levels of the permanent racks and slides the pallet into place. The racks, of course, have rollers, to make pallet movement a simple task.



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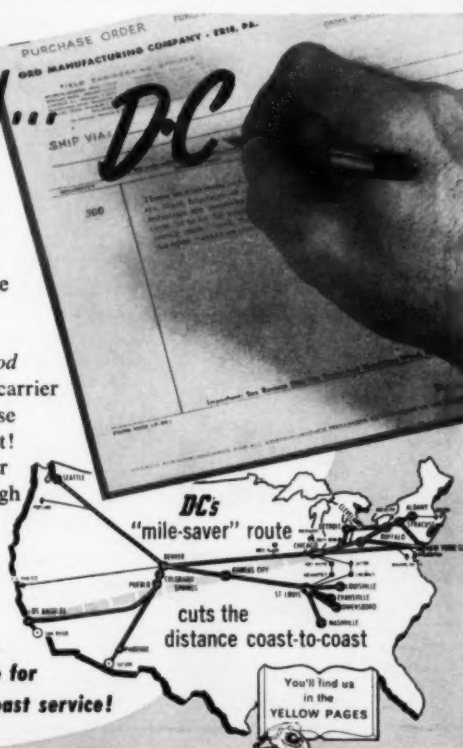
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DC-60-11

Foreign News In Brief

Hot Wallpaper

Moscow—The Russians say they've invented a wallpaper with built-in heating units that eliminate the need for radiators, boilers, and heating pipes in dwelling and office units.

The 28-inch electric panels, according to its inventor, Professor V. Gul, have a central belt of high-polymer heating elements, including "acetylene soot and certain other substances."

The new units, which also can be used in buses, trains, and planes, can be painted any color, without adverse effects from the heating element. Says Gul: "Our element will heat a room as efficiently as steam or water central heating units."

Portuguese Cars

Lisbon—The Portuguese government took initial steps last week to give this country an automobile industry of its own.

Under terms of the licenses, which will be issued shortly to three local firms here, production of automobiles, trucks, tractors, and diesel engines will begin in three years.

Standard Expands—

London—Standard-Triumph International announced it would begin construction of a new \$30 million plant near Liverpool. The new plant is part of an over-all expansion which will lift the Standard's total production from 180,000 units to more than 300,000 units/year.

Copper Surplus

Johannesburg—Despite official government orders to cut back copper production, Northern Rhodesia's two principal mining groups are still churning out copper surpluses.

Figures released last week showed copper production was riding along at a 45,000 ton/month pace—well above average output for this country.

Plastics Show

Utrecht—Dutch officials of "Macroplastic," the international plastics exhibition set for next Oct. 19-26, said last week they expect over \$7 million worth of plastics products and machinery to be displayed at the fair when it opens.

Twenty countries have already reserved space for the big show, which will be preceded by an international plastics congress dealing with technology of plastics processing.

20 Caravelles Sold

Paris—The government-run aircraft company, Sud-Aviation, announced outright sale of 20 Caravelle jets to United Airlines for a reported \$60 million.

At the same time, Sud-Aviation signed a reciprocal agreement with Douglas Aircraft Co., giving the U.S. firm exclusive manufacturing and distribution rights to the small French jet in America.

Government sources, however, report that Sud-Aviation will also

have Douglas ship Caravelles over to Europe to supplement sales of the lower-output French factories.

Midget TV Camera—

Tokyo—Nippon Electric Co., Ltd. will soon begin exporting what it claims is the world's smallest color TV camera.

The 1½"x1½"x2½" transistorized unit is designed for outdoor as well as indoor shooting, retails at \$41,666, and can be delivered in 120 days.

Mexico's Hopes Get a Jolt from American Firm

Mexico City—Mexican government hopes to lure foreign capital to this country suffered a big setback last week when Texas Gulf Sulphur Co. announced its subsidiary, Explorador Del Istmo, was "pulling out."

The TG move comes at a time when Mexican nationalists have been crying "Throw the foreigners out!"—a drive which has hurt government attempts to build up exports with foreign capital.

Texas Gulf officials, however, say the action of their subsidiary, Explorador Del Istmo, is due to

heavy financial losses suffered at the big sulfur mines. Losses would be even heavier, if demands for higher wages by more than 300 union miners were granted.

Closing down operations however, will cost the company heavily since it must file for government "approval" of the move. Industry sources here believe Mexico will fight the TG move.

Aside from the problem of unemployment, both TG and the Mexican government are puzzled about how to dispose of the enor-

mous piles of mined sulfur, which the company has refused to export because of high-priced export-license taxes.

Suggestions that the government take over mine operations have so far been rejected. While nationalized companies are exempted from export taxes, government officials fear a take-over at this time would result in bad foreign press notices that Mexico had shoved TG out in order to get control of the mines. Both TG and government officials say this is not true.

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Purchasing Men May Pay Higher Shipping Costs No Matter What

Washington—Purchasing executives may face higher shipping costs no matter who wins the current battle over "one-package transportation."

That's the consensus of many transportation experts who witnessed the initial skirmishes between railroads and truckers last week before a congressional committee investigating the railroad proposal.

"No matter who wins," moaned one shipper, "we'll still wind up paying higher rates." He argued that the "better-public-service" angle in the transport diversification scheme "will have to be paid for by somebody."

Under the "one-package" deal, each of feuding members of the U. S. transportation family—rails, trucks, barges, and airlines—would be permitted to diversify its holdings into other modes of transport. Current ICC regulations specifically prohibit such moves.

The railroads, championed in Congress by Reps. John B. Bennett (R., Mich.) and Walter Rogers (D., Tex.), and Sen. John Marshall Butler (R., Md.), want legislation authorizing creation of transportation companies, instead of individual rail, truck, and air lines. Such unified services, they contend, would offer shippers these benefits:

- **Lower rates.** A truck-rail-barge system, said one rail executive, would be cheaper because the shipper would only need one waybill, and schedules could be set up for the combined movement. He pointed to piggy-backing as an example of how diversification achieves this.

- **Faster service.** The shipper no longer would have to determine the best routing for his freight. The integrated transportation company automatically would determine the quickest, most efficient combination of transportation for each shipment.

Truckers and bargemen, however, who'll get a full hearing in Congress when the study resumes in mid-March, disagree violently. They claim the one-package deal has these disadvantages:

- **Monopoly.** Rail lines could find it financially practicable to set up a trucking subsidiary, say truckers, but "it's ridiculous to contend that a trucker can set up his own railroad. The whole thing is just a drive to set us back 30 years when the railroads monopolized the nation's transportation system."

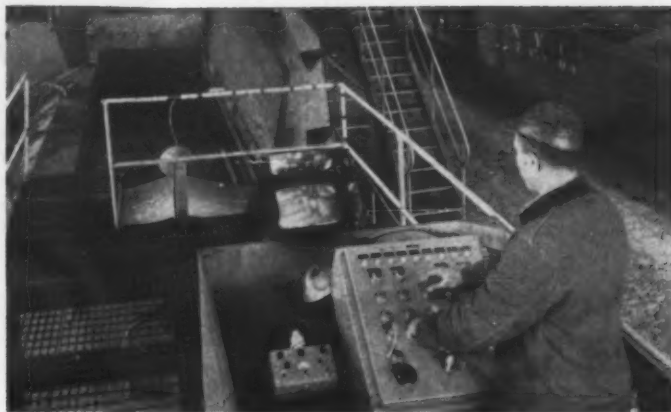
- **Higher rates.** "They made a bust of railroading," a major Cleveland trucker told PURCHASING WEEK, "Why should they make out any better if they have other forms of transportation to manage? 'Any monopoly,' he continued, "in transportation or in any other field, tends to become decadent. They'd wipe out their competition and raise rates sky-high."

- **Destruction of trucking and barge movements.** Diversification, declares a Pittsburgh trucker, would not, in fact lead to integration. "A company that handles all four modes of transportation would tend to emphasize the one that was the highest revenue producer."

Most truckers object more to

common ownership than to diversification itself, which they admit may be a good thing. But, as M. E. Holt, president of Interstate Dispatch in Chicago puts it:

"All the things the railroads presume to do with the so-called one-package system can be done across the conference table now, if the railroads want. This would allow independent ownership, and a better competitive atmosphere."



SCRAP SCISSORS: Operator controls giant scrap shearing machine by pushbuttons, while watching the operation on closed circuit TV.

A New Shear

Ashtabula, Ohio—The New York Central Railroad has set up a 168-ton shearing machine to process 18,000 tons of scrap per month at its reclamation plant here.

The giant 2½-story-high machine, made by Clearing Machine Corp., of Clearing, Ill., is controlled by a single operator at a pushbutton panel, who surveys the entire process via a closed-circuit TV screen.

The shearing machine is currently processing 100 carloads of scrap (mostly worn-out freight cars) each week for sale to steel mills.



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4. "RAINCOATS" FOR RELIABLE STARTING—Silicone "raincoats"

New York Begins a Study of School Purchasing

Albany—Gov. Nelson Rockefeller has set up a committee to investigate purchasing practices of local school districts, many of which "may be costing taxpayers millions of dollars" through duplication and waste.

The new committee will attempt to find ways to cut administrative costs of school purchasing. It will consider establishment of centralized purchasing so that the state's public school system can take advantage of lower-cost bulk buying.

"The area of centralized purchasing could provide very great savings for all schools," declared Dr. David G. Salten, committee consultant, and superintendent of schools in Long Beach, N. Y.

Failure to Use State Facilities

Salten referred to a recent survey which showed that only 561 of the 925 N. Y. State school districts actually use the facilities of the State Division of Standards and Purchases in buying supplies and equipment. "Those that do,"

the report states, "buy relatively few items."

Failure to take advantage of the State's standardized buying procedures, the report goes on, is adding "substantially to the cost of education."

Total N. Y. State school spending amounts to more than \$1½ billion annually, of which 10% goes into school supplies and equipment. "Millions of this," said a committee member, "could be shaved off through establishment of a statewide program."

Oil Men Don't Like Colorado State P.A.'s Plan for Term-Contract Gas

Denver—The Colorado Petroleum Marketers Association lashed out at State P.A. Lacy L. Wilkinson's new proposal to buy gasoline for all state cars on a term-contract basis.

The new gas-buying procedure was outlined in a letter from the state purchasing agent to the 18 companies who now supply Colorado's state auto fleet with some 6 million gallons each year.

In the letter, Wilkinson points out that several states, including

Oklahoma, Texas, Nevada, California, and Oregon are now buying gas on term contracts "in which the price is established by offering a fixed discount from the posted tank wagon and retail pump prices."

The new procedure would replace the present local-bid system of gas buying. It calls for all drivers of state cars to be provided with credit cards to the supplier company awarded the contract.

Wilkinson's letter provoked a special meeting of the Marketer's Association executive committee, which then sent out this statement to the same 18 supplier companies:

"The decision of the executive committee was that we are unalterably and unequivocally opposed to any governmental agency using this method to buy their petroleum products."

The committee goes on to demand a continuance of the current method of local-bid purchasing and adds, "It is our belief that no reputable supplier will have any part of such a scheme and we respectfully request you, as a supplier, to refrain from being a party to it."

Government Purchasers Meet for 3-Day Course

Chapel Hill, N. C.—Governmental purchasing officials have been invited to attend a 3-day purchasing course, March 2-3-4, at the University of North Carolina's Institute of Government.

The course, designed for persons new to their jobs as well as seasoned P.A.'s, will cover three major areas:

- **The legal aspects of purchasing:** A detailed examination of the statutory provisions regulating purchasing and contracting.

- **Office procedures in purchasing:** An examination of forms, records, and office procedures used in both centralized and decentralized purchasing operations.

- **Purchasing practices:** A discussion of the principles of public purchasing and the practices followed, such as sources of supply, securing competition, developing specifications, term contracts, methods of buying, stores and warehouse, disposal of surplus property, and relations with department heads, the manufacturer and the governing board.

There is no registration fee for the course. However, registrants will be required to pay their own board and room bills.

Louisville Association Sets a Buying Seminar

Louisville—The Purchasing Agents Association of Louisville will conduct its second annual Purchasing Seminar at the University of Louisville on April 22-23.

The program, which is being arranged jointly by Dr. William C. Huffman, dean of the school's University College, and the PAAL professional development committee, will include discussions by top authorities on data processing, value analysis, and purchasing systems and procedures.



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5. MIXED GASES—Westinghouse uses a precise mixture of certain rare gases, under exact pressure, to improve the light output.

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In Reverse Twist, Auditors Quizzed At Buyers' Forum

Philadelphia—Auditors, normally the quizmasters, found the shoe on the other foot last week at a forum on "Internal Auditing of the Purchasing Department" sponsored by the Purchasing Agents Association of Philadelphia.

P.A.'s turned the tables by quizzing a group of internal auditors on their practices in reviewing the performance of purchasing departments.

While both sides agreed that P.A.'s have more to gain than to lose from periodic internal audits of their departments, they took issue on certain auditing practices and requirements. One buyer, for example, questioned the necessity of having signatures on all purchasing orders as demanded by most auditing policies.

In response, William Clark, Atlantic Refining Co., who spoke for the auditors, said that new developments, such as data processing of purchasing orders, "are causing us yet unsolved problems." He added that some review of auditing practices is needed to keep up with new technology.

In discussing the broad areas of an auditor's work, Clark listed three checkpoints covered in a review of purchasing departments:

1. Best values.
2. Controls and separation of functions.
3. Competent and honest personnel in purchasing.

The P.A.'s on the panel included Charles C. Heisler, Scott Paper Co., L. S. Parker, General Electric Co., and Earl W. Russell, Radio Corp. of America. Parker noted that purchasing at GE is reviewed by three different types of auditors, a resident auditor at the plant site, a transient auditor based in the New York headquarters, and an outside Certified Public Accountant.

N. J. Purchasing Men Get Tips on Standardization

Newark, N. J.—The recent meeting of the Purchasing Agents Association of North Jersey was highlighted by a course on standardization.

The meeting opened with a forum on standardization, which involved a discussion by Fred Esser, Westinghouse Lamp Div., Bloomfield, N. J., on materials analysis techniques as they pertain to standardization.

In analyzing products to eliminate unnecessary material costs, Esser listed four basic steps that must be taken:

- Find out what the part in question will have to do.
- Question whether the part needs all its materials.
- Determine whether any materials can be eliminated.
- Decide whether the function can be performed without the part.

At the dinner session Frank H. Roby, executive vice president of Federal Pacific Electric Corp., and an official of the American Standards Association, discussed, "Standardization—A Way of Life."



DELIVERING THE PITCH for West Bend Aluminum Co. Products at Milwaukee "Buy Wisconsin" program is P.A. Ralph C. Deuster.

Purchasing Men Double as Pitchmen To Stress 'Buy Wisconsin' Slogan

Milwaukee—Purchasing agents played the part of pitchmen during a "Buy Wisconsin" program at the monthly meeting of the Milwaukee Association of Purchasing Agents.

Fourteen Wisconsin firms, whose buyers are association members, exhibited their products at the meeting. Each company was allowed three minutes on the program to discuss its wares, and, according to the rules, the "pitch" had to be made

by the purchasing executive for the company.

To Present Products

The basic idea behind the program, according to Frederick J. MacDougall, president of the association, was to acquaint the members with the products of fellow members.

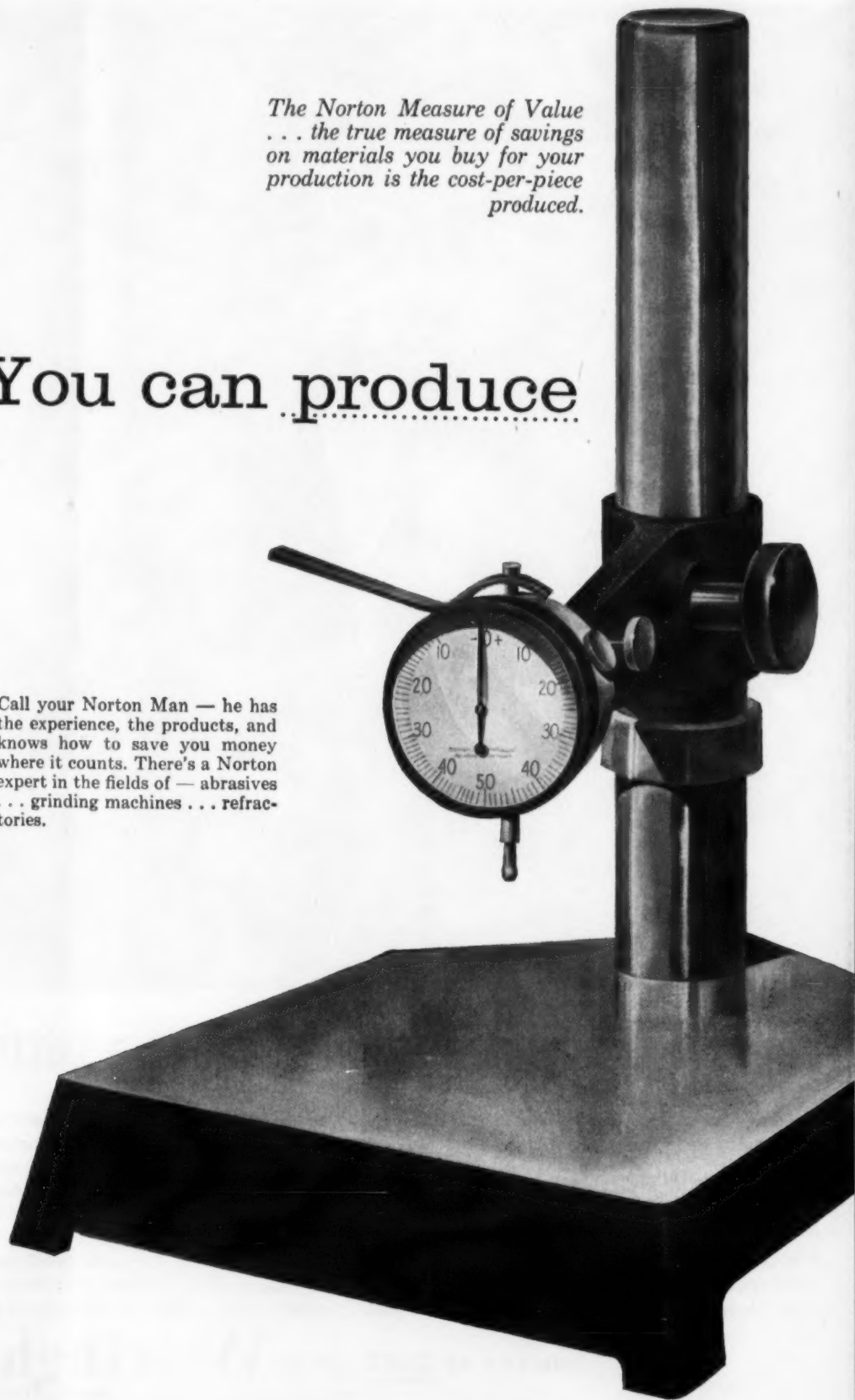
The range of exhibits was wide. Some were component parts, others proprietary products.

*The Norton Measure of Value
... the true measure of savings
on materials you buy for your
production is the cost-per-piece
produced.*

You can produce.....



Call your Norton Man — he has the experience, the products, and knows how to save you money where it counts. There's a Norton expert in the fields of — abrasives ... grinding machines ... refractories.



This Year Will Be a Buyers' Year

New York—The buyer will be in the driver's seat for most of 1960, a General Motors Corp. official told the 26th Annual Purchasing-Sales Dinner sponsored by the Purchasing Agents Association of New York held here recently.

Addressing the purchasing, sales and management executives, Dr. Kenneth McFarland, GM's educational director said, "The real American system of free enterprise where the buyer—the one with the cash—calls the shots, is going to be the most

formidable challenge to sales people grown prosperous and lazy (who may have lost the art of salesmanship)."

The GM official pointed out that 1960 represents the dawn of a new era, one in which if sales are to be made, "there will have to be a greater emphasis on service and sweat."

Dr. McFarlane urged a return to era of the rugged individualist: "If business starts to lose ground, don't ask for government aid and support—just work all the harder."

P.A.'s, Salesmen Get Together to Write a Book

Rochester, N. Y.—How long can a buyer reasonably keep a salesman waiting?

In hot, steamy weather, should a salesman enter the buyer's office with his coat off?

What should be the attitude of buyer and salesman towards gifts and entertainment?

These are a few of the questions Rochester purchasing agents and salesmen are attempting to answer by cooperating on a booklet of do's and don'ts that promises to set a new high mark in purchasing-sales teamwork.

Buyers and sellers everywhere around the country are conscious of the need to establish a good working relationship. But in very few places, if any, has this co-operation been pushed to the point of collaborating in the production of a booklet defining everyday problems of ethics and etiquette.

Four groups have been involved in producing the booklet, which is due for publication about April 1. They are: the local Purchasing Agents Association, the Salesmen's Club, the

Sales Executives Club, and the Industrial Buyers Association.

The whole thing began back in the Fall of 1958 when Edwin A. Galen P.A. for Eastman Kodak asked Sales Executives Club officials if they would be interested in defining a mutual code of conduct.

The reply: "Yes, let's explore the idea."

A representative committee began a series of meetings and kicked the idea around. Questionnaires were sent out to buyers and salesmen in an effort to find out who had gripes and what they were.

Such problems as these were posed:

- Should a buyer observe fixed hours of the day and fixed days of the week for receiving and talking with salesmen? This is a problem that tends to vary with the size of firms. A large undertaking has a number of purchasing agents who can keep to a tighter schedule. The small undertaking has perhaps only one buyer who must wear several hats in a day.

- How much flexibility, if any, should a salesman have when he gives a firm date for delivery and fails to come through?

- What should be done to avoid a situation where a company has maybe three distributors selling the same item in the same area?

- Should a buyer sitting relaxed in shirt and tie in an air conditioned office invite his caller to remove his coat, and should the salesman accept the invitation? Most purchasing agents indicated in their replies that salesmen were welcome to call in shirt and tie. But the salesmen for their part indicated they preferred to stick to full dress attire.

- How should the cost of meals and entertainment be shared, and what constitutes excessive gift giving?

- Should a buyer sitting at a desk with a salesman receive a call by telephone from another salesman?

When the answers to the questionnaires came in, they were sorted and the best fields for inquiry selected. The groups worked together to define a code of conduct designed to improve relations all around.

Hoosier Firm Sets Policy For \$25 Minimum Order, Truck Prepaid Shipment

Indianapolis, Indiana—A new selling policy that sets a net minimum order at \$25 was put into effect by Hoosier Tarpaulin & Canvas Goods Co.

At the same time, the big tarpaulin and tent manufacturing firm announced that its products will be shipped truck freight prepaid anywhere in the U.S. on orders of \$150 net or more.

A company official said the minimum order, plus a whole-sale-only policy resulted from changing market conditions and the firm's desire "to protect dealers that stock, promote and resell our products." Handling costs, he pointed out, including billing and shipping, have proven prohibitive on small orders.

greater savings than you can buy

You can't recognize a value by its price alone. This is true of all types of grinding wheels and has special significance in diamond wheels in view of their high initial cost.

The price tag on a diamond grinding wheel may appear to be a good "buy", but the real consideration should be what will you get for your money?

Diamond wheels less expensive than Norton may save you money on immediate cost. But if the lower cost wheels do not perform their jobs efficiently or cause production delays because of poor quality or wheel misapplication — the price you paid is too much.

The only accurate measure of the value of any grinding wheel is how much it produces for you per dollar cost — not merely how much you paid for it. Here is why Norton diamond grinding wheels are worth more to you . . .

Norton Company introduced all three diamond wheel bond types — does all its own sizing and checking of diamonds — duplicates wheel specifications with constant accuracy. Whether the diamonds you use in carbide grinding are mined or man-made, Norton gives you the most advanced research engineering and manufacturing facilities in the entire abrasive field. And you get this great scope of detailed knowledge on a personal basis — your Norton Man.

Your Norton Man starts his career by spending a minimum of one year in a carefully planned training course in the Norton plant and a com-

parable period of training in the field. The Norton Man has an average of 15 years' abrasive experience in addition to the specialized training. He is the most knowledgeable man in abrasives that you can consult. Make him your consulting abrasive engineer.

Ask him to make an Abrasive Requirement Study for you. This study lists the correct specifications for each abrasive job in your plant to assure you lowest cost-per-piece produced. He is also available for complete field testing on specific problems. For example . . .

Your Norton Man can increase production by pointing out ways for effective wheel usage. He has the widest selection of grinding wheels in the industry from which to select the best wheel for new product grinding operations and for improving your current grinding jobs — both at the lowest cost. And with Norton grinding wheels you can be sure of precise duplication order after order.

Norton offers true abrasive economy. Economy that pays off in lower cost-per-piece produced. Call your Norton Man. NORTON COMPANY, General Offices, Worcester 6, Mass.

W-1957



75 years of... Making better products...to make your products better

Better Packaging Theme Dominates Meeting

Washington — Special Space Age needs, particularly in the electronics, missile and related fields, will require greatly improved packaging techniques.

That was the dominant theme at the recent fifth annual Joint Military Industrial Packaging and Materials Handling conference attended by more than 2,000 industry and military officials.

T. C. Combs, vice president of the Zero Manufacturing Co., Burbank, Calif., told the convention that despite recent improvements, both the military and industry still "are pretty much living with World War II thinking" with regard to packaging. "We need more realistic standards for today's conditions," he added.

Unquestionably, according to Combs, the lead in many of the new developments is going to come from industrial chemists. A stroll past some of the several scores of exhibits at the conven-

tion clearly showed the impact that chemistry has had on the packaging industry in the past several years.

Practically absent from the exhibits were the cardboard and paper cushioning type of materials. These are being replaced by such chemical components as urethane, polyethylene, polystyrene, and cellulose packaging materials.

One recent development that attracted a great deal of attention was the use of plastic encapsulation in packaging, especially for small electronic components.

Rear Adm. T. A. Long of the Navy's Bureau of Supplies and Accounts said that his service currently is working on developing a lighter but stronger type of container that can be interchangeable between ships and planes. Approximately 20% of current shipping space is wasted because of the bulky packaging

and cushioning materials used, he stated.

The Air Force is concentrating on developing more precise testing procedures, and leaving fabrication, composition and design to the manufacturers.

"In this way," said Capt. Paul L. Peoples of the Air Force's Mobile, Ala., Air Materiel area "we can give the manufacturers' imagination free range, and open the door to the flood of new materials without writing involved specs on every new material, and reduce cost, tare and cube through competition."

New Setup by Niagara Chemical Div. Covers Eleven Western States

Fresno, Calif.—Niagara Chemical Div. of Food Machinery and Chemical Corp. has centralized its Western operations under a single complete unit, the Western Agricultural Dept.

The new department is designed to improve over-all service and distribution of products and technical information. A company spokesman said the move was necessitated by expansion of Niagara's West Coast activities through the acquisition last year of Sunland Industries, Inc.

To date, the division has produced its full line of products for West Coast consumption in Richmond, Calif., and Yakima, Wash. The Fresno plant, formerly operated by Sunland, will now bring expanded production of some pesticides plus initial entry into seed and fertilizer production for the company as a whole.

The spokesman said the consolidation move was aimed at bringing "a more complete, well-rounded program of manufacturing and distribution of agricultural chemicals and other products to this Western area."

To further facilitate its Western Agricultural Dept. operations, Niagara also has completely reorganized its transportation section. The department will serve 11 states in all, including California; Oregon; Washington; Montana; Utah; Nevada; Colorado; Wyoming; Arizona; Idaho, and New Mexico.

Seek Code to Eliminate Bid-Shopping Abuses

Washington — Representatives of general construction contractors and subcontractors are trying to agree on how to eliminate the so-called abuses of bid-shopping.

The bid-shopping practice in the construction industry works like this: A general contractor, in bidding for a contract, gets estimates from subcontractors from which he arrives at his total bid. When awarded the contract, he sometimes takes the subcontractors' estimates to competing subcontractors to see whether he can get a lower price.

The two groups are close to working out a code, which would be voluntary and would commit a general contractor to list his subcontractors along with his bid. He would then have to get the approval of the owner or his architect if he wished for any reason to substitute another subcontractor for one listed.

Industry News Briefs

Kalama, Wash.—The construction of a new Phenol plant here by Dow Chemical Co. will mark the beginning of an integrated chemical and plastics operation in the Pacific Northwest. The plant, to be located on the Columbia River about 30 miles north of Vancouver, Wash., will have an annual capacity of 36 million lb. Completion is expected in mid-1961.

Los Angeles—The Southern California air conditioning and heat pump market will have a new entry on March 1—the Typhoon Air Conditioning Div. of Hupp Corp. The division will open a new factory branch in downtown Los Angeles, convenient to all major transportation arteries. A spokesman said the new branch, which will offer extensive engineering service to dealers and customers and maintain large stocks of service parts, will serve 13 counties from Bakersfield to the Mexican border and eastward to Arizona.

New Orleans—Production facilities for converting polyethylene film to bags have now been completed at Chase Bag Co.'s plant here. The company is now producing polyethylene bags of all types and sizes, and is the only major polyethylene converter in the New Orleans area. Any printed bag required by the trade can be manufactured by the new facilities, a Chase official said, including tube, side weld, back seam, and draw cord.

New York — Riegel Paper Corp. has moved into the packaging equipment field with the acquisition of Bartelt Engineering Co., a Rockford, Ill., specialty packaging machinery manufacturer. A Riegel Paper spokesman said the move was an important one because it would "facilitate the research and development of new and advanced ideas in packaging." Riegel Paper is a major producer of flexible packaging materials, bleached board, and technical industrial papers.

Minneapolis—A new company, Flo-Tronics, Inc., has been formed here to supply automated bulk handling systems for the nation's food, chemical and process industries. In such systems, bulk materials such as flour, grains, and chemicals, are transported through ducts by a moving air stream as easily and quickly as water flowing through pipes.

Glendale, Calif.—New fabricating and warehouse facilities, to speed and improve service to West Coast customers, have been established here by Synthane Corp., an Oaks, Pa., manufacturer of industrial laminated plastics. The new warehouse is amply stocked with Synthane sheets, rods and tubes. Also, the basic fabricating facilities in the Glendale warehouse now permit the offering of sheets in strips and panels, sawed and sheared, bandsawed blanks, and tubes and rods cut to length. Special delivery service from the main plant, by jet freight, is now offered through the new facility.

Grand Beach, Mich.—Turnbuckles, Inc., has formed a new division that will specialize in all

types of fabricated wire forms for industry. The new organization, called Wirecraft Div., will make automatic wire forms, flattened and coined wire parts, welded wire assemblies, wire displays, threaded wire hardware, and staple wire products. All products are available with zinc, cadmium, nickel, copper, brass or chrome finishes.

Detroit—Huck Manufacturing Co., has expanded its plant facilities to provide room for large capacity multi-stage heading and rolling equipment on order. The expansion program calls for installation of several large heading machines. The new equipment will turn out Huckbolt fasteners of 3/4-in., 7/8-in. and 1-in. dia. in mild steel, and up to 1 1/4-in. dia. in aluminum.

Los Angeles—Transcon Lines has set up a new import-export division to handle its "growing volume of export business."

The new division will assign foreign-trade specialists at each of the eight Transcon offices across the country. In addition, a Transcon official said, the company is conducting an import-export education program for all employees at its 26 terminals.

Crane Forms 5 Separate Industrial Groups In A Major Reorganization

Chicago—A major decentralization effort at the fast growing Crane Co. has resulted in the formation of five separate industrial groups, each with its own manufacturing, engineering, sales and control divisions. They are: Industrial Products Group, Chicago; Plumbing-Heating-Air Conditioning Group, Johnstown, Pa.; Crane Supply Co., Chicago; Systems and Controls Group (headquarters yet to be named); and International Group, New York City.

The new arrangement unites Crane Co. with the five firms that Crane has purchased since last September. The firms are: The Chapman Valve Manufacturing Co., Springfield, Mass.; Pipe Fabricators, Inc., East Chicago, Ind.; The Swartwout Co., Cleveland; and National-U. S. Radiator Corp., Johnstown, Pa. A fifth acquisition, Canadian-Pittsburgh Piping, Ltd., has become part of Crane, Ltd., Canada, a wholly-owned subsidiary of Crane Co.

U. S. Firm to Distribute British Test Equipment

Erie, Pa. — High Pressure Equipment Co., Inc., here has been named exclusive U. S. distributor for Barnet Instruments Ltd., a British manufacturer of test equipment.

The overseas firm specializes in accurate dead-weight testers, which cover the range of 1 to 10,000 psi; pressure converters for increasing the range to 100,000 psi; and mercury-less dead weight vacuum testers for reducing the range to 1 in. Hg.

High-Pressure Equipment Co. will also distribute Barnet oxy-testers and a variety of pressure gauges for industrial and test applications.



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They Call This Car a Hot Dog

Chicago—Shipper benefits are multiplying rapidly as railroad equipment makers continue to spur modernization.

One good example of how this drive is paying off in lower transport costs and better service for industry can be found in Union Tank Car Co.'s new 30,000 gal. "Hot Dog" car. The equipment maker is now building two of them for the petroleum industry.

The new cars, billed as the "world's largest tank cars," measure 85 ft. over the couplers, are 17 ft. longer and have one-third more shell space than the largest models now transporting bulk liquid.

Two Hot Dog cars will be delivered this spring to Tuloma Gas Products Co., Tulsa, Okla., a national marketer of liquefied petroleum products.

"The Hot Dog design car weighs less, carries more, has greater versatility, and is safer and more efficient to operate, maintain, load, unload, and inspect than any other tank car of comparable size

now being built," said a Union Tank official.

E. A. Locke, president of Union Tank, added: "Their use should offer major operating economies to the lessee and to the railroads. They are particularly adaptable for shipments of LPG and other relatively lightweight commodities.

Tuloma officials are currently negotiating with the railroads for "an equitable rate on the new car," said J. L. Potter, manager of Traffic for the oil firm. "If a favorable decision is reached, we will begin to supplement our present tank fleet with the Hot Dog-30 cars."

Meanwhile, another railway equipment firm, Minnesota International Transportation Corp. has come up with a "Granu-Flow" car which will "revolutionize the techniques of transporting bulk loads of fine granular materials such as flour, sugar, starch, and chemicals," a company official predicted.

Granu-Flow cars feature a floor of

"fluidizing sheet" made of urethane foam, whose cells act as one-way valves injecting pressurized air into the grain being shipped.

When small particles of a free-flowing product are put in complete suspension through introduction of air, explained a Minnesota official, the granules assume the flow characteristics of a liquid, and in general, obey the physical laws governing liquids.

In addition to urethane floors, Granu-Flow cars have been made "condensation proof" with three inches of fiberglass roof and wall lining, which also protects shipments against exterior temperature changes.

Correction

A story on Long Island Lighting Company's use of "pillowtanks" (PW, Feb. 1, '59, p. 6) erroneously stated the tanks were purchased from Firestone Tire and Rubber Co. The rubber containers were manufactured and sold to LILCO by Goodyear Tire and Rubber Co.

Catalin Corp. Starts Up Its Acrylic Resin Plant

Fords, N. J.—Catalin Corp. of America began full-scale production at its new 10 million lb./year acrylic resin plant here last week.

The new facility will produce a "wide variety of emulsions and solutions" under a cross licensing agreement with the Belgian firm, Union Chimique Belge, S.A., of Brussels.

Because of the end-product diversity of acrylic resins, Catalin designed its new plant for maximum production flexibility. Several products, said a company spokesman, can be made simultaneously with a minimum time loss in production switchover.

Catalin's new factory also has built-in "expansion potential." "Capacity," said a Catalin executive, "can be quickly and economically increased by the addition in existing buildings of new reactors, for which supporting equipment—power and heat facilities, for example—have already been installed."

Reduce assembly costs
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You'll save production time and costs by using precision-made Macwhyte "Safe-Lock" cable assemblies on your equipment. Each assembly is positively uniform, with trim, good-looking fittings that develop the full strength of the wire rope.

You'll reduce costs by eliminating "hand-made" assembly operations. The units arrive ready for safe, easy, quick installation — fit "right" every time — are so uniformly made that you can give them a standard parts number.

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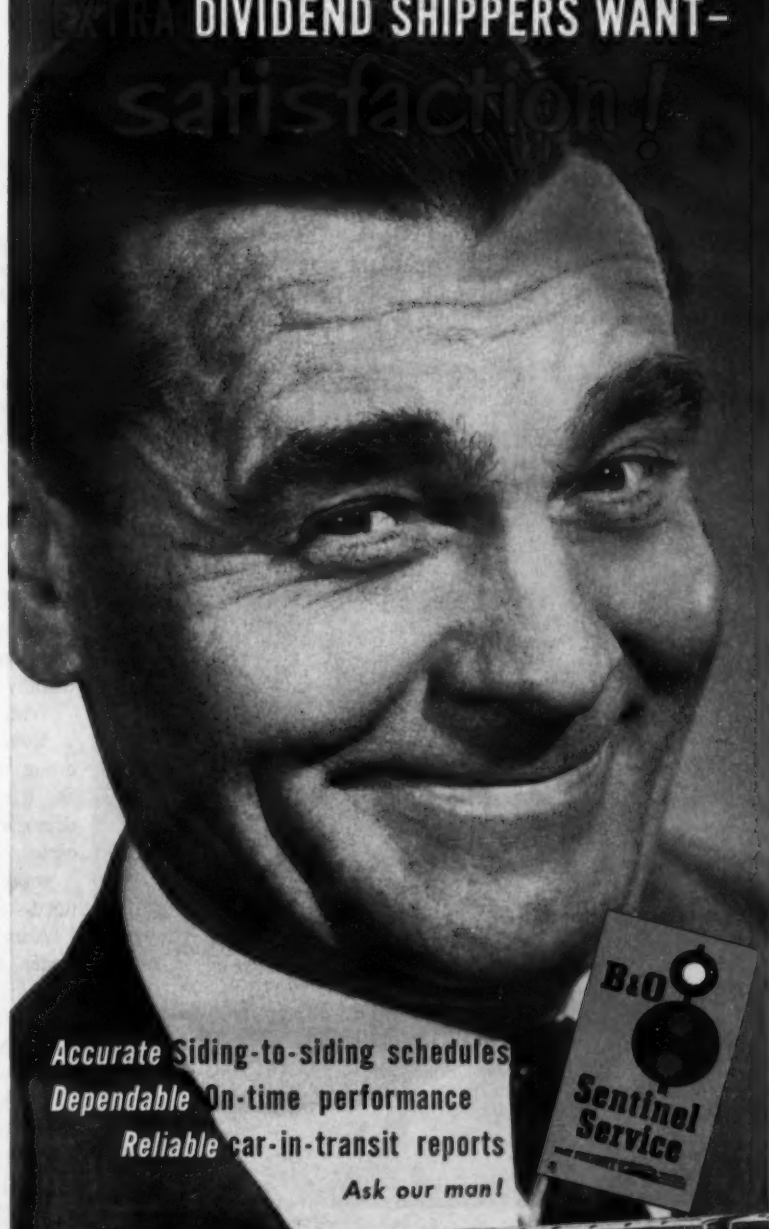
Catalog 5601 is a handy, helpful guide in designing, selecting, and ordering cable assemblies. Send for your free copy to Macwhyte Wire Rope Company, Kenosha, Wisconsin, U. S. A.

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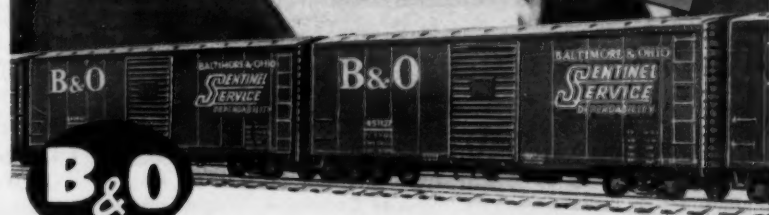
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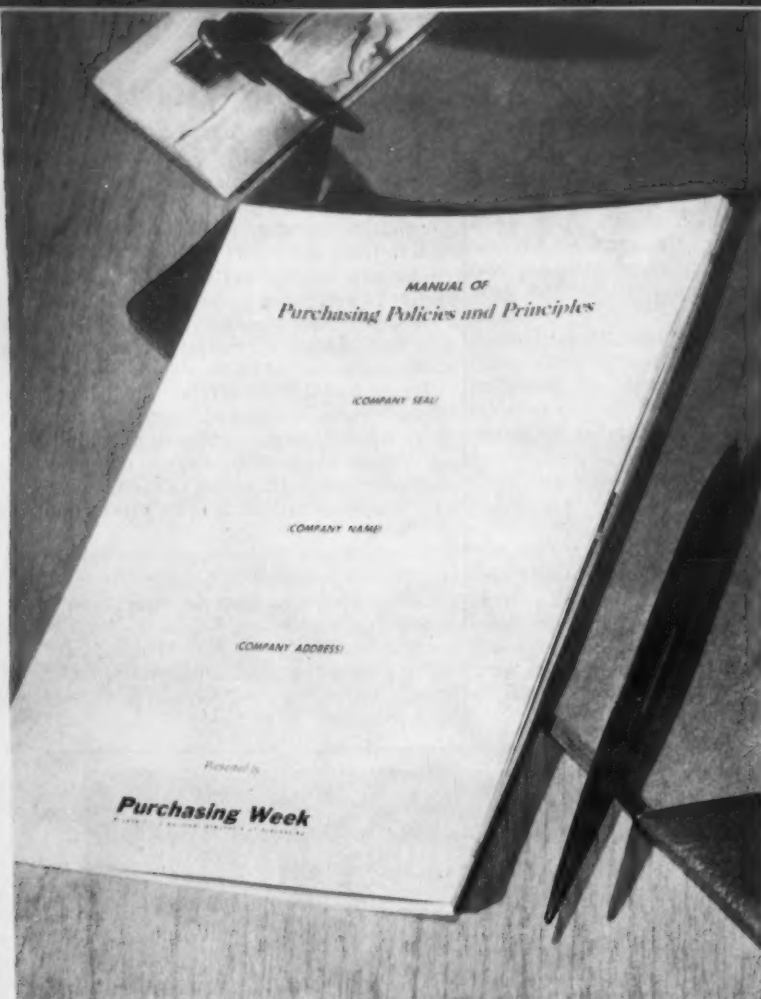
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FREE BOOK: PURCHASING WEEK's new "Purchasing Manual." Its big benefit to you is that it will help you put your ideas down for everyone to see. You'll be able to clarify your own thinking on such vital subjects as vendor relations, fair practice, what you consider ethical standards, interview arrangements, and others. The point is this: Once you've translated all your ideas into written statements of policy, you can demonstrate to top management far more ably the important contribution you and your department make to your company.



NOTED AUTHOR: F. ALBERT HAYES is a Materials Management Counsel as well as Consulting Editor for PURCHASING WEEK. Prior to his retirement several years ago as Vice President-Purchasing of the Bigelow-Sanford Carpet Co., Hayes had served in various industries in engineering and management capacities for over 40 years.

A graduate of Harvard (1912), Hayes was active in government production and procurement roles in both World War I and II. In 1952-56 he was Consultant to Chief of Procurement, Air Materiel Command, Wright-Patterson Air Force Base.

Long a leader in NAPA and American Management Association activities, Hayes also is a past president of the NAPA (1941-42), and is a Shipman Medallist (1948).

This New Policy Guide Up Your Own Purchasing

More than 9 of 10 P.A.'s don't have a written buying policy, surveys indicate. Now here's help. PURCHASING WEEK's new purchasing manual (photo, left) will guide you toward a better awareness of your job.

Suppose one of your colleagues asked you today about your company's policy on free samples. What would you say?

More to the point: Would your answer be based on a written document—something your management has endorsed—or would you just be ad libbing?

It's common talk in the profession that over 75% of NAPA members have no management-approved policy statement and that an even larger fraction—more than 95%—has no written purchasing-policy guidance whatsoever for suppliers. Little wonder that P.A.'s constantly complain that other company executives freely cross party lines and poach in P.A. territory. Why not? Because of a lack of a purchasing policy, the P.A. usually hasn't much of a leg to stand on.

Who's to blame?

You, say the experts. Top management isn't going to hand you a charter unless you 1. ask for it, and 2. prepare a sensible draft of your department's responsibilities, authority, and principles. If you do that, the advisors continue, it's a good bet that you'll get what you want—and need—in writing.

Admittedly, though, this is easier said than done. It takes time just to get an outline that really covers the manifold aspects of your department and its relationship to others in your company. Moreover, you should check fellow P.A.'s in other companies for their views and experience—another burdensome task: So—

PURCHASING WEEK HAS DONE THIS JOB FOR YOU. THE RESULTS ARE YOURS FOR THE ASKING. JUST SEND IN THE COUPON ON THE OPPOSITE PAGE, AND YOU'LL GET INSTRUCTIONS FOR A MANUAL THAT WILL FILL THE AWKWARD GAP IN YOUR OPERATING PICTURE.

Specifically, here's what this service to PURCHASING WEEK readers is and does:

1. It's a concise, streamlined 20-page outline (much like the ones you used to get in college to blueprint a particular course for you). In short, it's a combined instruction and guide book.

2. It covers all the major areas for which your

department needs written policy including a suggested foreword, which your company president (or chief officer) should sign to make the statement official.

3. Additionally, there's an extensive checklist of topics from which you can pick and choose to fit your particular situation. This reminder list will keep you from missing any subject that now is—or will be—important to you.

4. This manual was prepared for PURCHASING WEEK by F. Albert Hayes (see accompanying sketch) whose long experience thus is put at your disposal.

This is what you should do when your guidebook comes to you:

1. Call a meeting of your important colleagues and assistants to discuss the task you are about to tackle. Review the whole booklet quickly to get the general idea.

2. Now approach each topic specifically. For example: One of the major areas to be covered is vendor contacts. The PURCHASING WEEK outline suggests that you should consider 1. good relations, 2. fair practice, 3. ethical standards, 4. reception of vendors, and 5. arrangements for interviews.

With these factors in mind, you and your colleagues should hammer out a policy specifically fitted to your own company and write it down in the space provided for it. To put it another way: **THE BOOKLET SUGGESTS WHAT YOU SHOULD DO; THEN YOU DO IT—IN YOUR OWN WORDS.** This is the only sane approach to policy. Simply borrowing another company's ideas verbatim is as useless as borrowing somebody else's shoes: They probably won't fit. You have to get your own.

3. When you have completed your policy statements on all major topics—**IN WRITING, THAT IS**—coordinate it with your company associates and submit the finished job to your management for official O.K. Experts emphasize that the document should be polished in every respect before you put it on your president's desk. Don't give him a half-finished, half-hearted stab at the matter. Show him a sharp,

Devised by Purchasing Week Will Help You Set Ground Rules: It's Yours for the Asking

convincing effort. Even if it isn't accepted exactly as you've written it, it nonetheless will earn you plenty of respect and a chance to explain your position.

(Incidentally, here's a tip based on the experiences of several knowledgeable P.A.'s: You may want to take an in-between step after writing your statements but before showing them to your president. It's this: Test your script out on several department heads and vendors to see how it registers).

4. After you get an official O.K., think about distributing the document. Surely all the important people in your company should have a copy. Additionally, you may want to send it to key vendors. Experience has shown that the preparation and printing costs of brochures of this type will range from 15¢ to around 50¢ per copy. (The big spread in prices is caused by such impressive additions as color, sketches, etc.)

All right. Let's assume you've done the job and it's got your president's seal on it. Just what have you accomplished at this point? Read what

leading thinkers and consultants have to say:

First of all, you've genuinely reviewed your position from every angle and put your conclusions down on paper. You have thought—not guessed—about how to handle: selection of sources of supply; placing orders and contracts; vendor relations; your position vis-a-vis other departments; buying for fellow employees; and a long list of other topics. In short, you have re-educated yourself and your colleagues about your function.

Next, those who work with you—other departments, vendors, etc.—will understand fully what you are doing and how you do it.

Third, you have an approved status—a charter. The vague boundaries that once bothered you will be defined more comfortably.

Finally, you'll probably be able to do much surer, more meaningful work. Old insecurities will be banished. For you have staked out your area of operations, how you help other departments, and what you in turn expect from them; you now know it—and so does everybody else.

On this score, there's some pretty convincing proof. For example:

One consultant recently rated a purchasing department before and after it had a written policy statement. Its status prior to production of a manual was considered somewhere between "critical" and "dangerous." After it had formulated its policies—and published them—its rating rose to "sound." The consultant attributed it to "clarification of purchasing policies and principles, both within and outside the organization."

Further evidence lies in the impressive list of open-policy converts. Such giants as Ford Motor, Dorr-Oliver, North American Aviation, Union Oil of California, and Western Electric long since have defined purchasing policies with great care. It makes good sense to them.

Says Consulting Editor Hayes: "Purchasing policies are the guide line of action to achieve predetermined objectives. Their preparation and inclusion in a policy manual can be the beginning of the most effective application of management methods to the procurement function."

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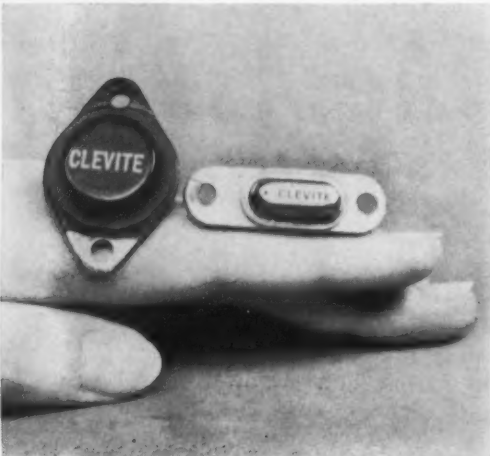
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Power transistor (right) used in switching and amplifying applications is half the size and weight of Standard transistor (left). Available in eight 3-amp. switching types, with breakdown voltages of 40, 60, 80, and 100. Price: \$1.85 to \$6. Delivery: 2 wk.

Clevite Transistor Products 241 Crescent St., Waltham 54, Mass. (PW, 2/22/60)



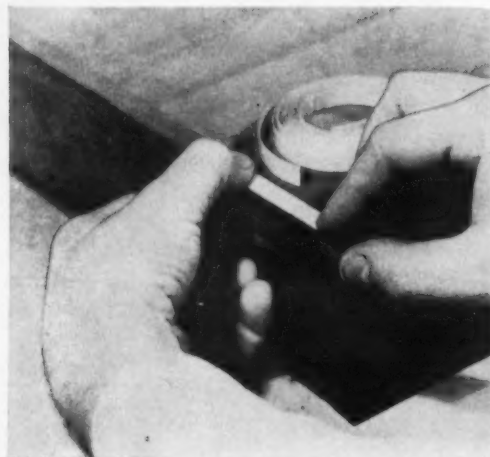
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Compact, in-line 1/2-in. valve has higher flow coefficient (7.5) than conventional valve (4.0). Rated for 300 psi. maximum pressure at 180 F, valve has minimum number of parts and can be easily reversed in the field. It is 2 3/4-in. in dia. and 3 1/2-in. long.

Price: \$120. Delivery: 6 wk.

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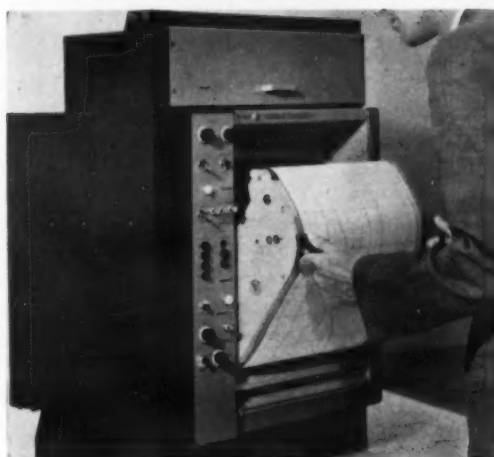
Nylon Tape

Minimizes Friction

Nylon tape, 1/4 to 1-in. wide, adheres to any wood, plastic, metal, or plaster surface to minimize friction between sliding surfaces. User removes paper backing and presses tape into place. Available in 100-ft. coils.

Price: \$7.67 to \$16. Delivery: immediate.

Hardware Designers, Inc., P. O. Box, South Hackensack, N. J. (PW, 2/22/60)



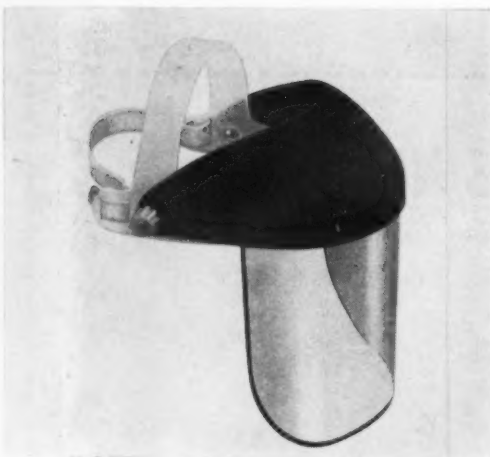
Oscillograph

Rack-Mounted

Oscillograph has 36 or 50 channel basic construction and mounts on standard 19-in. relay rack for recording at data-handling stations. Variety of modules offers record speeds from very slow to 160-in. per sec. Uses 12-in. wide, direct, print-out paper.

Price: approx \$9,650 (36 channels). Delivery: 90-120 days.

Consolidated Electro-dynamics Corp., 360 Sierra Madre Villa, Pasadena, Calif. (PW, 2/22/60)



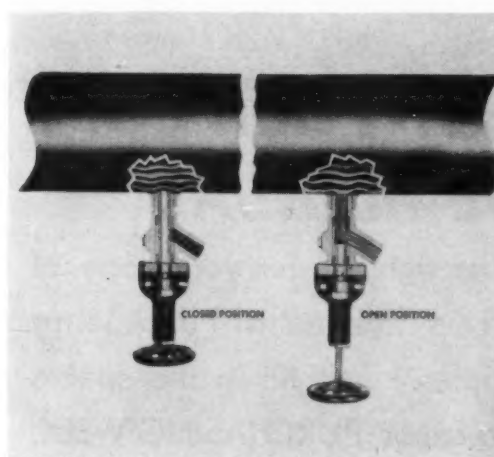
Face Shield

Fits Any Head Size

Lightweight polyethylene face shield with clear or green acetate window fits any head size by adjustment of elastic headband. Replaceable windows come in 4, 6, and 8-in. lengths with 0.020 in and 0.40 in. thicknesses. Snap fasteners hold the window securely.

Price: \$2.95 to \$3.35. Delivery: 1 wk.

Welsh Mfg. Co., Magnolia St., Providence 9, R. I. (PW, 2/22/60)



Sampling Valve

Won't Clog Up

Stainless steel valve piston retracts to leave the entire valve body free for full flowing live sample. Compressible Teflon rings seal the valve. It is impossible for any foreign matter to gather when piston is extended.

Price: \$65 (stainless steel). Delivery: 6-8 wk.

Strahman Valves, Inc., Nicolet Ave., Florham Park, N. J. (PW, 2/22/60)



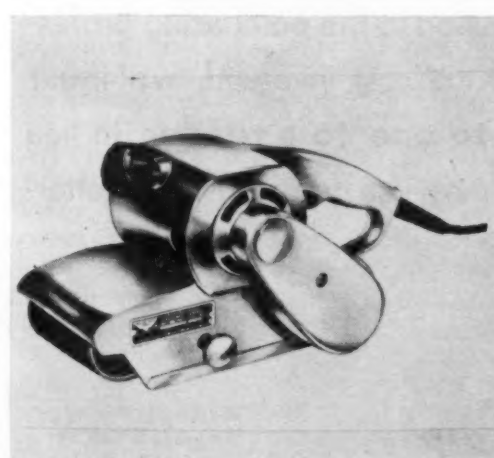
Caster

Operates on Track

Grooved wheel casters operate on inverted angle iron track serving mechanized production lines, ovens, and retorts. Swivel and rigid types with 6x2-in. wheels have 750-lb. capacity. Swivel has 2 ball bearing raceways for even load distribution.

Price: approx. \$9.50 (rigid) to \$12 (swivel). Delivery: immediate.

Nutting Truck & Caster Co., 1201 W. Division St., Faribault, Minn. (PW, 2/22/60)



Belt Sander

Works in All Positions

Sander uses 4 x 21-in. belt to eliminate drive wheel wobble in any sanding position—vertical, overhead, or horizontal. Design permits flush sanding up against right-angle surfaces. Belt changes with quick lever action.

Price: \$84.50 (1 hp motor). Delivery: immediate.

Millers Falls Co., Wells & Devon Sts., Greenfield, Mass. (PW, 2/22/60)

New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.



Portable Collator

Operates Manually

Portable collator holds 300 sheets of paper at each of 12 stations to permit manual gathering of reports, price lists, etc. Compact aluminum unit occupies 1½ sq. ft. of desk space and weighs 7 lb. No skill is required to assemble up to 6,000 pages per hr.

Price: \$37.50. Delivery: immediate.

A. P. Heinz Co., 2422 W. Lunt Ave., Chicago 45, Ill. (PW, 2/22/60)



Steel Shim

Pre-Measured

Stainless steel shim stock is calibrated in ½ and 1-in. increments in 60 in. roll. Available in 9 sizes from 0.002 to 0.010-in. thicknesses, calibrated coil shows number of inches of stock remaining.

Price: \$5.10 to \$5.90 (60-in. roll). Delivery: immediate.

N. E. Slavin & Co., 40 E. Cross St., Somerville, Mass. (PW, 2/22/60)



Thermostat

Detects Fires

Thermostat works on fixed temperature principle at 135F, 190F, or 250F to detect fires. Bimetallic element closes electric circuit when preset temperature is reached. Device is used in areas 20 x 20-ft. or less—subject to rapid temperature fluctuations.

Price: \$2.70. Delivery: immediate.

Notifier Corp., 3700 56th St., Lincoln 4, Neb. (PW, 2/22/60)



Hoist Latch

Keeps Loads Safe

Two-part latch prevents accidental dropping of loads from ¼ to 3-ton capacity hoist hooks. Four sizes fit any hook and install quickly with hand tools. Finger-operated control is placed away from dangerous hook opening area.

Price: \$4 to \$25. Delivery: 1 wk.

Harrington Co., Gravers Road, Plymouth Meeting, Pa. (PW, 2/22/60)

—This Week's—

Product Perspective

FEBRUARY 22-28

• Many plastics users complain that the raw material makers introduce "too damn many products." One suggestion they offer: "Hold up on the minor changes, incorporate them in major new product entries."

But the research labs of all the major plastics producers are working at top speed, and it looks as though both major and minor product changes will keep coming at an undiminished rate. The purchasing agent who keeps track of the newest developments will be well-rewarded in the form of better materials for his plant.

Latest entries in the plastics field are:

• Finely divided, powdered polyethylene is available from U. S. Industrial Chemical Co. in sample quantities. Larger quantities of the powdered plastic, trademarked Microthene, will be available next month when a semicommercial plant goes into operation.

Projected uses include textile and fabric coatings, binder for non-woven fabrics, coating for paper and metals, additive for waxes and polishes, and molding powder for large items such as boats, tanks and shipping drums. Introductory price: 65¢ for finer grade (smaller than 200 mesh) and 40¢ lb. for coarser material (50 to 200 mesh).

• DuPont expects its new plastic, Teflon 100, to find wide markets in the electronics and chemical processing industries. A FEP-fluoro-carbon resin, the new material can be extruded or molded in thermoplastic processing equipment. It was developed to supplement DuPont's Teflon TFE, which must be processed in a manner similar to powdered metals.

DuPont claims Teflon 100 is virtually immune to chemical attack, has excellent electrical insulating, anti-stick and frictional characteristics, and will not absorb moisture. Temperature rating (about 100F above TFE resins) is up to 500F. Price: \$11.60 lb. in truck load quantities.

• A polyester resin that promises to speed construction and cut fabricating costs of reinforced plastic boats has been developed by the Naugatuck Chemical Div., U. S. Rubber Co.

The new resin, Vibrin 158A, is 10% lighter by volume than standard polyester resins now used in boat building. It is designed specifically for spray gun application.

• A complete line of polypropylene block has been announced by the American Agile Corp. The blocks let a user make an inexpensive design prototype for in-plant or field testing prior to costly production tooling. Suggested applications include bearing material, pillow blocks, home appliance housings, valves, automotive parts, laboratory and hospital ware.

The blocks can be easily machined, ground, drilled, threaded and welded with standard woodworking or machine tools. The polypropylene has excellent impact resistance and will withstand temperatures to 240F. Price: \$11.75 (1 x 12 x 12 in.) to \$63.45 (3 x 12 x 24 in.).

• An old metal working technique—perforating and expanding—is the latest fabricating technique for plastics. The Plastics Div. of Reeves Brothers, Inc. is selling expanded polyethylene and polypropylene in the form of a non-woven netting.

The material combines many of the qualities of expanded metal and fabric, adding the resilience of plastic. Potential uses include decorative and filter grids, waste baskets, boat hammocks, athletic backstops, floor mats, furniture seats, conveyor belts, play pens, and shock-absorbing, protective shipping wraps.

The expanded polyolefins are now available in 22 and 24 in. widths, with sections up to 48 in. planned. Price: 15¢ sq. ft.

• Oxiron epoxy series is said to have lower curing temperature, greater strength at high temperatures, and lighter weight than conventional epoxies.

Other qualities claimed by the Food Machinery and Chemical Corp. include increased pot life, effective use of low-cost curing agent, lower density, good electrical properties, and high chemical resistance.

Proposed applications include encapsulating electrical and electronic components, castings and tooling, laminates and prepregs, adhesives, and paints and coatings. Price: Oxiron is currently available in developmental quantities and is expected to sell in the 35 to 50¢ lb. range.

• High-pressure polypropylene may be the next major plastics development. Several firms both here and in Germany are reported working on a process to make the plastic by high-pressure processes. One big incentive for developing the process would be the easy adaptability of high-density polyethylene plants to make polypropylene.

Your Guide to New Products

(Continued from page 23)



Solder Dispenser

Does 8,400 Joints/Hr.

Dispenser automatically applies paste solder at speeds up to 8,400 joints per hr. using electronic timer and triggering device. Timer controls valve, which activates applicator gun touching ceramic fixtures (photo) on conveyor belt.

Price: \$290 to \$310. Delivery: immediate.

Fusion Engineering Co., 17921 Roseland Ave., Cleveland 12, Ohio. (PW, 2/22/60)



Fuel Additive

Eliminates Sludge

Diesel fuel additive with detergent action prevents sludge from forming in fuel supply line, keeping injectors and moving parts clean. Diesel engine will have cleaner combustion, better starting. Available in pint and gallon cans or 5 to 50 gal. drums.

Price: \$1 (pt.) and \$5.50 (gal.). Delivery: immediate.

Shaler Co., Waupun, Wisc. (PW, 2/22/60)



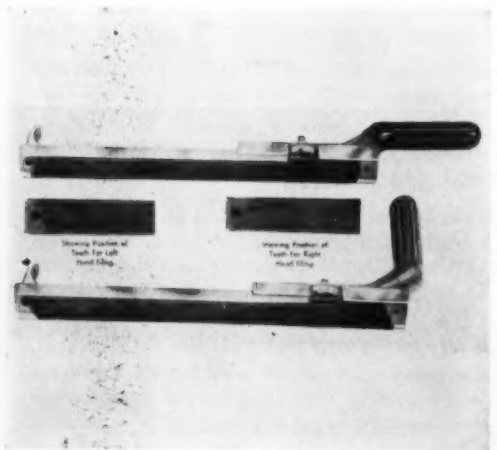
Electronic Counter

Registers to 5 Places

Electronic counter automatically measures frequency and random events per unit of time or, with the manual gate feature, totalizes electrical events up to 5 places. Switch selects automatic gate times of 0.1 sec. or 1.0 sec. Self-check feature confirms accuracy of operation.

Price: \$650. Delivery: 1 wk.

Hewlett-Packard Co., 275 Page Mill Road, Palo Alto, Calif. (PW, 2/22/60)



Metal File

Easy to Clean

Metal build-up on file is easily removed with few turns of special wrench attachment. File can clean soft or hard metals, plastics, or wood. Direction of file (mill type) can be reversed for left handed person.

Price: From \$9.95. Delivery: immediate.

Gordon Associates, Inc., First St., Derby, Conn. (PW, 2/22/60)

Standards for Fasteners: A Listing for the Buyer

Cleveland—The Industrial Fasteners Institute has compiled a summary of all available general-purpose fastener standards. American industry uses close to 100 billion fasteners a year, and over 500,000 different types can be considered standard—readily identifiable by name, type, size, and material.

Few standardization areas offer as quick and large savings as does the field of fasteners. Any company that wants to standardize its fastener purchases has a wealth of published information to draw upon. All standards on the following IFI list can be ordered from the issuing association.

ASA

The American Standards Assn. is a federation of trade associations and professional societies. It serves as a clearing house for standards. ASA standards are national and have been approved by all groups that have a substantial interest in the material. ASA fastener standards are dimensional only; physical and mechanical requirements are standardized by other organizations.

ASA standards are available from: American Standards Society, 10 E. 40th St., New York, N. Y.

B1.1 Unified Screw Threads (Revision in preparation)

The screw thread "bible" of the fastener industry, this standard includes dimensions and other pertinent data for standard and special pitch-diameter combinations in all series of unified screw threads in the size range from 0.060 to 6 in. dia. Similar data for the now-obsolete American National thread series are given in appendix.

B1.2 Screw Thread Gages, Gaging (\$4)

Recommended practices and tolerances for screw thread gages.

B1.10 Unified Miniature Screw Threads (\$1.50)

New standard introduces a screw thread series covering diameter range from 0.018 to 0.0551 in.

B1.12 Class 5 Interference-Fit Thread (\$1)

Trial standard details dimensions of a newly-designed interference-fit thread. As experience is gained in actual use, the standard will be updated and extended to include other thread series and sizes smaller than 1/4 in.

B5.20 Machine Pins (\$1.50)

Dimensions of dowel, clevis, cotter pins.

B18.1 Small Solid Rivets (\$1.50)

B18.2 Square and Hexagon Bolts and Nuts (\$2)

B18.3 Socket Head Cap Screws and Socket Set Screws (\$1.50)

B18.3 will probably be revised in conformance with a new industry standard for socket cap screws. Copies of the industry standards are available on request from: Socket Screw Products Bureau, 53 Park Place, New York 7, N. Y.

B18.4 Large Rivets (\$1.50)

B18.5 Round Head bolts (\$1.50)

B18.6 Slotted and Recessed Head Screws

Issued in 1947, this standard covered machine, cap, wood and tapping screws. It has since been superseded in part by B18.6.1, B18.6.2, and B18.6.4. A new standard covering machine screws has been finalized, and will be issued shortly.

B18.6.1 Slotted and Recessed Head Wood Screws (\$1)

B18.6.2 Cap and Set Screws (\$1.50)

B18.6.4 Slotted and Recessed Head Tapping Screws, Metallic Drive Screws (\$4)

B18.9 Plow Bolts (\$1.50)

B18.10 Track Bolts and Nuts (\$1.50)

B27.1 Lock Washers (\$2)

B27.2 Plain Washers (\$1)

U. S.—FEDERAL

U. S. federal standards are developed by the Federal Supply Service of the General Services Administration, and are used by all civilian agencies and branches of the government, and by the military when appropriate. They are primarily procurement documents and are complete in detailing dimensions, physical properties, performance tests, acceptability requirements, shipping dates, etc.

A complete listing of all federal documents is issued annually with monthly supplements. "Index of Federal Specifications, Standards and Handbooks" is available for \$1.50 from: Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.

Individual standards may be purchased from: Business Service Center, General Services Administration, Washington 25, D. C.

FF-B-561 Bolts, Lag (\$0.10)

FF-B-571 Bolts; Nuts; Studs; and Tap-Rivets (\$0.10)

FF-B-575 Bolts, Hexagon and Square (\$0.25)

FF-B-588 Bolts, Toggle (\$0.05)

FF-B-584 Bolts, (square neck, machine ribbed neck, finned neck, tee head, key head) (round head) (\$0.20)

FF-N-836 Nuts, Hexagon, Square (\$0.25)

FF-N-845 Nut, Plain, Wing (\$0.10)

FF-P-386 Pins, Cotter (split) (\$0.10)

FF-R-556 Rivets, Burrs, and Caps; Copper and Brass (\$0.15)

FF-S-85 Screws, Cap, Slotted and Hexagon head (\$0.15)

FF-S-86 Screws, Cap, Socket Head (\$0.25)

FF-S-92 Screws, Machine; Slotted or cross-recessed (\$0.25)

FF-S-103 Screw: Set (\$0.10)

FF-S-107 Screws, Tapping Slotted and Plain Head (sheet metal, machine and drive) (\$0.20)

FF-S-00109 (COM-NBS) Screws, Wood; Cross-Recessed Head

FF-S-111 Screws, Wood, Slotted-Head (\$0.10)

FF-T-305 Thumbscrews (\$0.10)

FF-W-84 Washers, Lock (spring) (\$0.15)

FF-W-92 Washers, Metal, Flat (plain) (\$0.15)

FF-W-00100 (GSA-FSS) Washers, Tooth Lock

U. S.—MILITARY

Military specifications and standards are developed through the coordinated efforts of the armed services under the general direction of the Department of Defense. Each of the three services—Army, Navy, and Air Force—issues a

A Buyer's Listing of Fastener Standards

semi-annual index listing the standards it uses. These listings are available from: U. S. Government Printing Office, Washington 25, D.C.

The most important military specifications covering general-purpose fasteners are listed below. In addition to these, there are many other standards detailing requirements for aircraft.

Copies of Military Standards are available free from: Commanding Officer, Naval Aviation

Supply Depot, 700 Robbins Ave., Phila. 11, Pa., Attn. CDS.

MIL-B-857 (Ships) Bolts, Nuts, and Studs

MIL-S-933 Screws, Machine, Cap and Set; and Nuts

MIL-S-971 (Ships) Screws, Wood

MIL-R-1166 Rivets for Sheet Metal Work

MIL-S-1222 Studs, Threaded (bolt-stud); Nut, Plain Hexagon; and Steel Bar, Round, High-Temperature Service.

MIL-R-1223 Rivets and Rivet Steel bars (for hull construction)

MIL-R-2582 Rivets, Tubular and Cap

MIL-R-2583 Rivets Belt, and Burrs

MIL-S-2677 Bolts and Clips (alloy steel) and Nuts, (carbon steel)

MIL-R-2890 Rivets and Tap-Rivets, Nonferrous (for hull construction)

MIL-B-2938 Bolts, and Nuts, Deck

MIL-N-3336 Nut, Self-Locking,

Instrument Mounting

MIL-N-3337 Nut; Sheet Spring

MIL-B-3964 Bolts, Nuts, Track

MIL-S-18247 Studs, Plain Steel General-Purpose

MIL-B-18695 (Navy) Bolts and Nuts; Plow, Pole Line, Hook and Shoulder

MIL-N-25027 (ASG) Nut, Self-Locking, 250F, 550F and 800F

NBS

The National Bureau of Standards has issued a comprehensive standard on screw threads which is the basic thread standard used by civilian and military branches

of the Government. The handbook is available from: Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.

Handbook H28 Screw Thread Standards for Federal Services (Part I, \$1.25; Part II, \$0.75)

Part I covers unified screw threads, Part II, pipe threads, and Part III, miscellaneous screw threads. Except for minor details, Part I conforms to ASA B1.1, but in addition contains gage dimensions and other information on both standard and special screw threads. Part III is slated to be released within the next few months.

ASTM

The American Society for Testing Materials is the leading technical society conducting standardization activities in the field of materials. ASTM standards are concerned with the properties of the material that make up the fastener. They may be purchased in book form as a separate documents from: American Society for Testing Materials, 1916 Race St., Phila. 3, Penna.

Book of Standards, Part I (\$12)

A triennial publication, this book includes supplements issued in intervening years. There are ten separate volumes to the "Book of Standards," each one devoted to a material class. Part 1 includes all specifications and standards on products of ferrous metals. The 15 specifications detailed below are all in Part 1.

A31 Boiler Rivet Steel and Rivets (\$0.30)

A76 Low-Carbon Steel Track Bolts and Nuts (\$0.30)

A131 Structural Steel for Ships (\$0.30)

A141 Structural Rivet Steel (\$0.30)

A152 Wrought-Iron Rivets and Rivet Rounds (\$0.30)

A183 Heat-Treated Carbon- and Alloy-Steel Track Bolts and Carbon Steel Nuts (\$0.30)

A193 Alloy-Steel Bolting Materials for High-Temperature Service (\$0.30)

A194 Carbon- and Alloy-Steel Nuts for Bolts for High-Pressure and High-Temperature Service (\$0.30)

A195 High-Strength Structural Rivet Steel (\$0.30)

A307 Low-Carbon Steel Externally and Internally Threaded Standard Fasteners (\$0.30)

A320 Alloy-Steel Bolting Materials for Low-Temperature Service (\$0.30)

A325 Quenched and Tempered Steel Bolts and Studs with Suitable Nuts and Plain Hardened Washers (\$0.30)

A354 Quenched and Tempered Alloy-Steel Bolts and Studs with Suitable Nuts (\$0.30)

A394 Galvanized Steel Transmission Tower Bolts (\$0.30)

A406 High-Strength Structural Alloy Rivet Steel (0.30)

THE CARD WITH SPECIAL BACKING

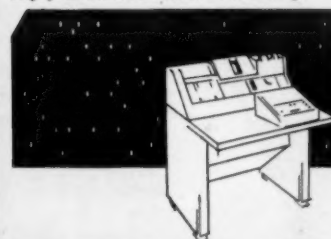
IBM design, quality and service

DESIGN—the right design is essential to efficient data processing. From IBM's tremendous selection of standard and special cards, card sets, continuous forms, checks and special card features... skilled personnel, in one of IBM's many Card Design Centers, blend just the right elements into a design to best meet your specific needs.

QUALITY—for smooth-flowing, economical data processing, your punched cards must consistently meet the requirements imposed by your data processing machines. All IBM cards are made to the most exacting specifications by thoroughly trained personnel working with the proper tools. Every step in their manufacture is governed by a quality control program without parallel in the industry.

SERVICE—prompt, efficient and economical service is important with any product. Through its nation-wide network of card plants and warehouses... and through its supplies specialists and sales representatives, who know both card and machine requirements... IBM can service properly any customer in America.

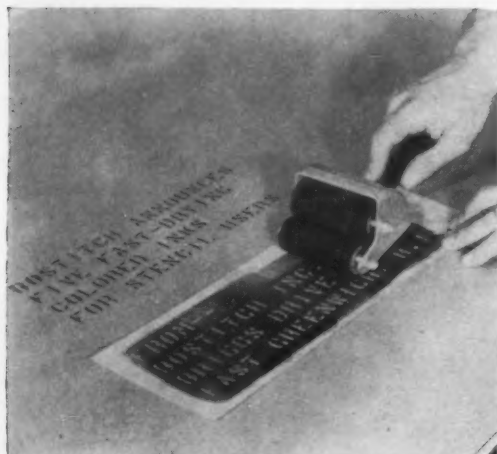
This special backing makes the IBM card a value unsurpassed in the industry... and represents one more example of the way IBM helps you to enjoy Balanced Data Processing.



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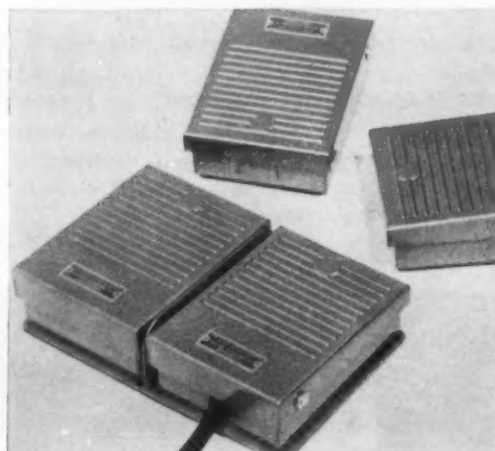


Stencil Ink

Labels Quicker

Fast-drying ink (in 5 colors) works with roller to label metal or porous surfaces 3 times faster than brushing method. Capillary action of roller prevents ink build-up on stencil—extending stencil life and allowing use of lighter, less-expensive stencil board.

Price: \$11.90 (roller, 1 pt. of ink). Delivery: immediate.
Bostitch, Inc., 2013 Briggs Dr., East Greenwich, R. I. (PW, 2/22/60)



Foot-Switch

Frees Operator's Hands

Foot-switch mounted on skid-proof, sponge rubber base pad frees operator's hands. Switch measures 3½ x 2½ x 1¼-in. Models available with SPDT at 20 amp and DPDT at 10 amp.

Price: \$6.50. Delivery: immediate.

Linemaster Switch Corp., Woodstock, Conn. (PW, 2/22/60)



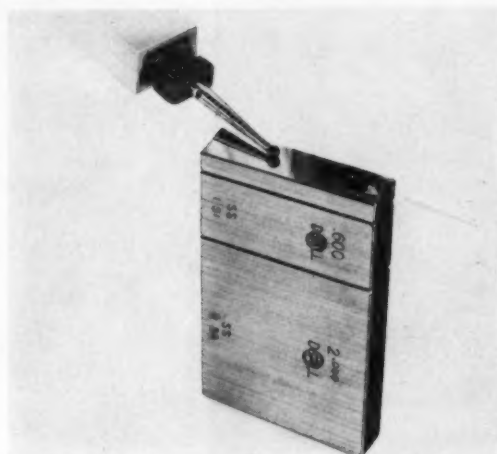
Drum Warmer

Heats Materials

Fully automatic 5-gal. drum warmer heats viscous materials and maintains them at temperature and consistency required for easy removal. Two temperature ranges, 60F to 250F and 200F to 550F, are maintained around the clock.

Price: \$99 (standard model). Delivery: immediate.

Harold L. Palmer Co., 28625 Grand River Ave., Farmington, Mich. (PW, 2/22/60)



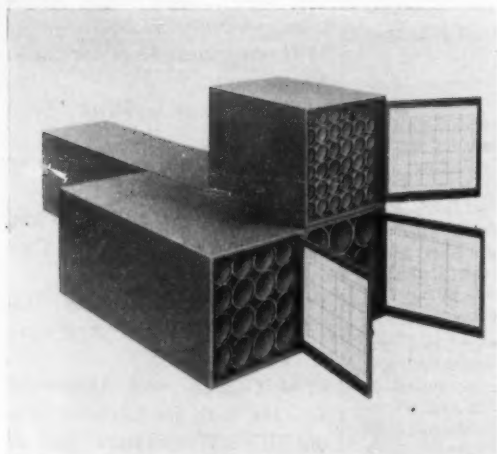
Gage Blocks

Wear Longer

Stainless steel gage blocks resist nicking and burring that would ruin ordinary steel blocks. Ready to use without greasing, blocks won't grow or shrink with age to significant degree. Surface finish exceeds 0.09AA rating of steel gage blocks.

Price: \$289 to \$896. Delivery: immediate to 2 wk.

DoAll Co., 254 N. Laurel Ave., Des Plaines, Ill. (PW, 2/22/60)



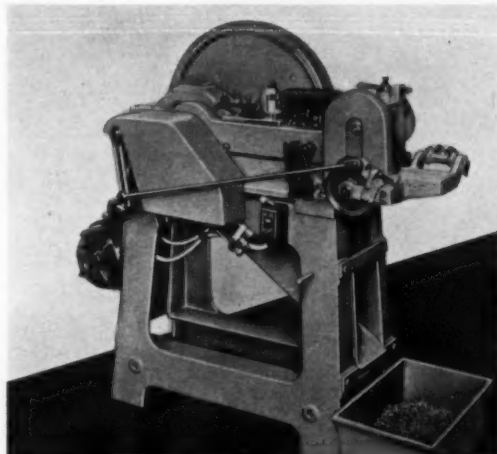
Roll File

Saves Space

Rolled blueprints or documents are stored safely out of the way in tubes up to 60-in. long in 15x15-in. square, steel cabinet. Locks are available for hinged doors. Files hold 9 to 36 tubes with 2¼ to 4¾-in. I. D.

Price: \$31 to \$66, depending on cabinet and tube sizes. Delivery: immediate.

Stacor Equipment Co., 295 Emmet St., Newark 5, N. J. (PW, 2/22/60)



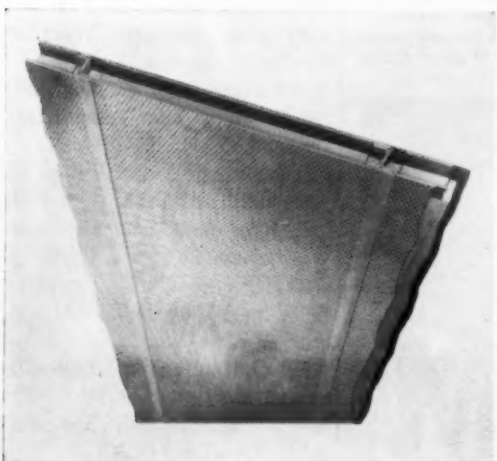
Cold Header

Handles Thin Wire

Cold heading machine makes 60 to 100 thin pins and lead wires per min. from 0.020 to 0.090-in. dia. wire. Equipped with 1½ hp motor, machine produces variety of cold headed parts up to 2¾-in. long for electronics and television industries.

Price: From \$5,500. Delivery: 20 wk.

REM Sales, Inc., Robert E. Morris Co., West Hartford 7, Conn. (PW, 2/22/60)



Wall Panel

Absorbs Noise

Prefabricated wall panel (perforated on one side) has sound absorbing fiberglass element between its two metal surfaces. Two-ft. wide sections install quickly as interior dividing wall or partition.

Price: \$1.50 to \$3 sq. ft. Delivery: 5 to 10 wk.

R. C. Mahon Co., East 8-Mile Road, Detroit, Mich. (PW, 2/22/60)

Purchasing Week Definition

Synthetic Rubber

Synthetic rubbers (polymer) are less elastic than natural rubber, but more resistant to aging, heat, oils, and chemicals. Major types are:

● **Neoprene** — Chloroprene rubber cures itself during polymerization, is used to form gaskets, hose, shoe soles, molded goods, coated fabrics, adhesives.

● **Buna** — Butadiene polymer, used primarily for tires after compounding with natural rubber, has superior wear and abrasion resistance. High styrene combination has light color and is tough enough for coatings, leather substitutes.

● **Thiokol** — Organic polysulfide vulcanizes like natural rubber to make molded products, wire covering, and gaskets.

● **Vistanex** — Compounded with natural rubber, this petroleum derivative has good electrical properties and resists oils and chemicals. Chief uses include insulation, packings, and hose.

● **Koroseal** — Acid resistant in solution, vinyl chloride polymer lines acid tanks or covers plating racks. As a solid, its chief uses are in fabric impregnation, cable sheathing, gaskets. (P.W., 2/22/60)

Small Business Administration Helps P.A.'s Find Vendors

Locating Specialized Unusual Items Can Be A Quicker Job with Help from Government Agency

"SBA referred about 25 to 30 subcontractors to us—and all of them had backgrounds that fitted in here," says Raymond C. Sprow, manager of small business relations for IT&T's Communications System's (ITTCS), Inc., Div., Paramus, N. J.

In just nine months, ITTCS has let about \$300,000 in small business subcontracts on its part of Aircorn, an Air Force radio system. Sprow, appointed to handle all small business relations, found that SBA could supply names of possible suppliers, along with facilities and personnel surveys on each. Now ITTCS has a file of potential subcontractors in 18 states.

Sprow found that many of the small firms coming to ITTCS didn't know much about the agency, a few had never even heard of it. "I'd ask if they were registered with SBA and I often drew a blank," notes Sprow. He cooperates with Alfred Wiebe, director of research at the New York SBA regional office, by sending him the names of small firms that could benefit from SBA registration.

The ITTCS experience is just one of many examples of how contractors are taking advantage of SBA to get qualified vendors and subcontractors and additional sources of supply.

Another firm that has made good use of its regional SBA office is the Commercial Engineering and Manufacturing Co., Arlington, Texas. Wiley Stufflebeme, president, explains, "There are several reasons why we are closely associated with SBA. It is very valuable from the standpoint of advice, generally, and day-to-day help on handling our relationship with the government."

"We have had very good performance success with SBA referrals. We get first hand information from its Procurement Assistance Department, and a resume of past performance on which to base our judgment of a subcontractor."

SBA helped Stufflebeme's company get a \$35 million prime contract for Air Force bomb

trailers. "Consequently, we feel obligated to subcontract to other small businesses in this area. We don't have the machine shop capacity to produce 100% of the parts we need, and some shops have special machines we don't have. They are better equipped to do a particular job, and can do it more economically."

A Texas firm that does both military and commercial work uses SBA for names of additional sources. James E. Upfield, president of Engineering and Manufacturing Corp. of Texas, Carrollton, Tex., says "We have a very good relationship with SBA. We use it quite often for additional sources, particularly specialty items. SBA referrals to us have an excellent record."

One of Upfield's suppliers, the B. B. Parker & Sons., Dallas, machine shop says SBA has been a big help to him. Jerry Parker, vice president, explained that a couple of years ago about 98% of his work was done for Chance Vought, but with contract cancellations, this business has gone out of the area. Parker has relied on SBA for new customers.

The agency frequently calls on him to let him know of upcoming bids. Parker says, "SBA is like a watchdog, keeping an eye on small business. It has been very helpful to us."

SBA is just getting going on a program to get subcontracts out of the strictly defense area. Short-handed staffs have limited the activities of many of the regional offices. But the help they have extended on defense hardware is

beginning to carry over into civilian, or commercial items.

Bert Charlton, and J. E. Shonadel at the Cleveland SBA office say that they provide small businesses with an entree into the bigger companies. With a contact in the purchasing departments, the small businesses can usually take it from there. In this way, they provide new sources of supply for nonmilitary contracts for the big companies.

The Cleveland SBA office lined up a group of subcontractors for a big Ohio firm. As it turned out, the large company didn't get a defense contract it was looking for, but the 22 small firms have been included in its nondefense buying program.

Another time SBA persuaded a big Cleveland manufacturer of road grading equipment to include some SBA referrals on a defense contract for \$1.5 million of construction machinery. This company got a better price and service on pinions and gears from one of the referrals than its regular supplier could give.

Why SBA's Program Can Help P.A.'s

"There is a greater need than ever before for major firms to subcontract work to smaller companies," says Theodore Waale, national director of SBA's Procurement and Technical Assistance Divs. With its roster of 50,000 smaller manufacturing firms, SBA is increasingly taking on the role of a clearing house for subcontracting and purchasing.

This is partly because prime contractors are required by law to sublet portions of government contracts to small business.

But there's more to it than that, Waale points out. With the growing technical complexity of modern industrial production, a firm often finds it's cheaper to subcontract highly specialized work than to maintain costly facilities for each production phase.

As another SBA official sees it, "The big companies are becoming more aware that many small firms have plenty of know-how to do a good job. Simply, the big contractor increasingly has to turn to the smaller company not only to insure his lines of supply, but to generate new manufacturing sources."

Large firms also get support from small business through SBA. SBA can supply help that may aid in competing on big government contracts by lining up subcontractors in advance. Few, if any major defense contractors have the wide variety of skills necessary for handling a major defense contract. When bidding on a contract, usual procedure is for the prime to create a "team" consisting of a group of subcontractors.

How SBA Can Help

Here's what Ray Sprow found that SBA could do for him . . . and can do for you as a P.A., in either a civilian or defense industry.

(1) Help you understand what small suppliers can do for you.

(2) Give you a list of suggested suppliers, pre-surveyed and checked. (Facilities lists are available for you to examine.)

(3) Supply a specific supplier to meet your requirements. (Tell SBA what you want and it will get a vendor for you.)

(4) Put all of SBA's regional offices across the nation on the hunt for your needs via teletype.

(5) Provide helpful literature on small business problems, plus technical and management consulting information.

How to get this help? Check your phone book for SBA under U.S. Government, or write Procurement & Technical Assistance Division, Small Business Administration, Washington 25, D. C. It will try to help directly, or put you in touch with the nearest SBA office.

Nondefense Purchasing Help

SBA now is widening its activity to secure more subcontracting for smaller companies outside of strictly government business. At the same time, firms that have used SBA for defense subcontracting are turning to it for civilian purchasing help.

In the past few months, SBA has assigned full-time subcontracting directors in eight regional offices located in the major industrial centers. Previously, the subcontracting work was handled on a part-time basis by other members of the regional staff.

To protect the identity of the

firms that are seeking subcontractors, SBA handles all of the preliminary work. After receiving a request from a major firm for suppliers, regional officers of SBA check their files and notify those that appear to be qualified to do the job. SBA then screens all firms that apply to weed out the ones that don't meet the standards. The final list is then submitted to the P.A.

Here's how SBA's Procurement and Technical Assistance Program works:

(1) Regional SBA offices survey small business in their areas.

(Continued on Page 28)

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GENERAL OFFICES:
KINGSPORT, TENN.

Small Business Administration Helps Purchasing Men Find Special Vendors

(Continued from page 27)

Firms are asked to list their equipment, type of personnel, and the kind of work they specialize in. Research and development outfits have to fill out a form with information on the type of research they can do, their experimental facilities, and any other contracts they have completed. All firms are asked to submit their latest financial statements.

(2) SBA reviews the facilities survey, then sends a field man to the plants to interview company officials and engineers and make an evaluation of the plant's general capabilities. Sometimes, the field representative is able to suggest other lines of work to company officials.

(3) SBA keeps a file of firms by industry and also publishes the names of R&D companies by types of research in a source directory, the "List of Small Companies for Research and Development."

(4) When a request comes in for a list of suppliers the SBA regional office checks its files and provides a list of firms it believes can do the job. If there are only a few (or none) with the required skills in the area, the office will teletype other regional offices asking for more sources.

(5) SBA follows up referrals to see what contracts have been awarded, how well the firm has done, and also to keep its plant facilities and personnel file up to date.

This Changing Purchasing Profession...

Detroit—In a major purchasing shakeup, **Burroughs Corp.** named three executives to new posts, promoted a buyer to purchasing agent, and added two new men to its central purchasing staff.

C. Dwight Brooks, formerly manager of purchasing administration, central staff, was appointed manager of sub-contracts of a new multi-million dollars Air Force contract awarded the firm.



D. E. WENDT



A. J. DeCARLO

Donald E. Wendt was advanced from

manager of purchases, Military Electronics Computer Div., to manager of purchases, Detroit Div. **A. J. DeCarlo** moves up into Wendt's former post and **Norbert Schald**, a technical buyer, succeeds DeCarlo as MECD purchasing agent.



J. W. RUFF



NELSON GIBBONS

John William Ruff, former director of purchases, Industrial Div. of American Standard, Detroit, and **Nelson Gibbons**, an equipment procurement engineer, who retired last year after 35 years with Motor Wheel Corp., Lansing, Mich., have joined the central staff as purchasing agents.

David Adirim succeeds **Fred Oxenbury** as Vancouver purchasing agent for **Crown Canada**. Oxenbury was made a special assistant to the corporation secretary.

Robert S. Aubry has taken the post of director of purchasing with **Basic Products Corp.**, Milwaukee. Aubry had been division purchasing manager for **Kaiser Aluminum & Chemical Corp.**, Newark, Ohio.

Walter N. Johnson, formerly general superintendent of **Railway Express Agency's** purchasing division, was appointed assistant to the vice president-traffic with headquarters in New York.

James L. Mills was advanced to vice vision, **General Fireproofing Co.**, Youngstown, Ohio.

Kenneth A. Waller has been advanced from assistant purchasing agent to purchasing agent by **Peabody Coal Co.**, St. Louis, Mo. He succeeds **C. E. Mattox**, who retired.



K. A. WALLER



W. L. HEATH

Ward L. Heath succeeds **Ray A. Van Stee** as purchasing agent, the Grand Rapids plant of **Kelvinator Div.**, **American Motors Corp.**, Detroit. Van Stee was made director of product quality.

Beeber Gross, real estate agent of the **Reading Railroad**, Philadelphia, was assigned the new post of director of purchases and real estate. Gross takes over the duties of **George E. Wilson**, general purchasing agent, who retired after 49 years with the railroad.



J. H. WALLIS



BEEBER GROSS

John H. Wallis has been appointed director of purchase and supplies, **Emery Air Freight Corp.**, New York. Since 1956 he had served as assistant vice president.

C. Y. McCown has been advanced from director of purchases and inventories to vice president, purchasing, **Creamery Package Mfg. Co.**, Lake Mills, Wis.

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Meetings You May Want to Attend

First Listing

National Office Furniture Association—Chalfonte-Haddon Hall Hotel, Atlantic City, Mar. 11-13.

National Truck, Trailer & Equipment Show—Automotive Council of Los Angeles, Great Western Exhibit Center, Los Angeles, April 6-8.

Purchasing Seminar—University of Louisville, Louisville, Ky., April 22-23.

4th U. S. World Trade Fair—Coliseum, New York, May 4-14.

Material Handling Institute's Eastern States Show—Convention Hall, Philadelphia, May 9-11.

Instrument Society of America—Instrument Automation Conference & Exhibit, Brooks Hall, San Francisco, May 9-12.

American Foundrymen's Society Castings Congress & Exposition—Convention Hall, Philadelphia, May 9-13.

Design Engineering Show—Coliseum, New York, May 23-26.

Previously Listed

FEBRUARY

Wisconsin Petroleum Association—34th Annual Convention & Exhibit, Schroeder Hotel, Milwaukee, Feb. 24-25.

MARCH

American Society of Mechanical Engineers—Gas Turbine Power Conference & Exhibit, Rice Hotel, Houston, Tex., Mar. 6-9.

5th National Electric Industries Show—Coliseum, New York, March 6-9.

Illinois Petroleum Marketers Association—Products and Equipment Show, Morrison Hotel, Chicago, March 8-9.

Institution Feed and Supply Show—Trade Show Building, New York, March 21-24.

Institute of Radio Engineers—National Convention, Coliseum and Waldorf-Astoria Hotel, New York, March 21-24.

Biennial Electric Industry Show—Lighting Exposition and Conference, Shrine Exposition Hall, Los Angeles, March 23-26.

Greater New York Safety Council—30th Annual Safety Convention and Exposition, Hotel Statler-Hilton, New York, March 28-April 1.

APRIL

6th Nuclear Congress—Conference and Exposition, Coliseum, New York, April 3-8.

American Management Association—29th Na-

tional Packaging Exposition, Convention Hall, Atlantic City, April 4-7.

23rd National Oil Heat and Air Conditioning Exposition—Coliseum, New York, April 4-7.

Purchasing Agents Association of Indianapolis—Indiana Industrial Show, Manufacturers Building, State Fair Grounds, Indianapolis, April 6-8.

American Society of Lubrication Engineers—Annual Meeting and Exhibit, Netherland-Hilton Hotel, Cincinnati, Ohio, April 19-21.

4th District Conference, NAPA—Kellogg Center, East Lansing, Mich., April 21-22.

American Society of Tool Engineers—Tool Show, Detroit Artillery Armory, Detroit, Mich., April 21-28.

American Welding Society—Annual Meeting & Welding Exposition, Hotel Biltmore, Los Angeles, April 25-29.

MAY

American Society for Metals—Southwestern Metal Exposition and Congress, State Fair Park, Dallas, Tex., May 9-13.

25th Annual International Distribution Congress & Business Aids Show—Statler-Hilton Hotel, Buffalo, N. Y., May 15-18.

National Association of Purchasing Agents—45th Annual Convention and Inform-A-Show, Biltmore Hotel, Los Angeles, May 22-25.

Triple Industrial Supply Convention—Conrad Hilton Hotel, Chicago, May 23-25.

American Textile Machinery Exposition—The Auditorium, Atlantic City, N. J., May 23-27.

JUNE

Canadian Association of Purchasing Agents—35th Annual Conference, Sheraton-Cadillac Hotel, Detroit, June 2-3.

Where Can I Buy?

Some products are easy to locate, others difficult. Perhaps you can help one of our readers who knows exactly what he wants but doesn't know where to get it. And keep in mind that you can make use of this PURCHASING WEEK service at any time.

While you are answering our reader's request, would you also send us a carbon copy of your answer.

"We are looking for a source of supply for black vinyl tape in 3/4 in. x 33 ft. and 3/4 in. x 66 ft. rolls. I believe it is made in Japan under the trade name "Anchor Plastic Vinyl Tape."

William C. Sittler
Sittler's Electric Supply
P. O. Box 132
Washington, Iowa

U. S. Fires Its Biggest Shot at Price-Fixing

Antitrusters Boast a Strong Case Against Blue Chip Firms, Others

(Continued from page 1)

Co., and Federal Pacific Electric Co. In addition, in the first three criminal indictments filed last week, the government names 18 company officials as defendants... 10 from GE, 5 from Westinghouse, and 3 from Allis-Chalmers. Only the companies are named in the three companion civil suits filed with these indictments.

12 Firms Named

One day after these cases were filed, the government came up with four more criminal and three more civil suits. In this batch of cases, a total of 12 companies are named. Charges similar to those made in the first batch are repeated on other products, including bushings, various types of lightning arrestors, insulators, and open fuse cut-offs. Altogether, the 12 companies sell about \$55-million worth of these products a year.

Probably not all the cases that will be filed have been filed even now. The antitrusters referred to the first cases as just "part in a series of proceedings." Other cases probably will be filed between now and spring as the Justice Dept. winds up its broad grand jury investigation of all phases of the heavy electrical equipment industry.

Other Products Probed

Though Justice Dept. spokesmen will not comment on it, there are reports that there are at least two new grand juries at work in Philadelphia on various parts of this investigation. According to these reports, the new grand juries are just now getting started on investigations on other products, including transformers and turbines, which gets into the area of manufacturing to specification in which custom demands must be met.

The first batch of cases relates to alleged misdeeds in the pricing and bidding on three different types of equipment: power switchgear assemblies; oil and air cir-

cuit breakers; and low voltage power circuit breakers. All these products are used in the generation, conversion, transmission and distribution of electric energy. Together, the companies under attack sell about \$210-million worth of these products a year.

Conspiracy Charges

In a one word description of the government cases, the charges lay out an alleged conspiracy. Though the specific acts and details vary a little in each case, in general the companies are charged with conspiring to:

- Fix prices and conditions of sale;
- Allocate among themselves the business of supplying federal, state, and local government agencies;
- Submit noncompetitive collusive, and rigged bids for supplying electric utilities, federal, state, and local government agencies, private industrial corporations and contractors;
- Refrain from selling certain types of equipment components to other manufacturers of electrical equipment; and
- Raise the prices of certain types of components bought by other equipment manufacturers who sell in competition with the defendant companies, in order to eliminate competition from them.

The filing of some kind of antitrust cases against the electrical equipment makers had been expected. Since last summer, it has been generally known that the Justice Dept. was making a grand jury investigation of alleged pricing violations by the companies, largely on complaints from various federal, state, and local governments about receipt of identical bids on various types of equipment. The TVA was a major source for much of these complaints.

Action Was Expected.

Finally, last January GE President Ralph J. Cordiner made a speech to a company meeting in which he admitted some GE of-

Who's Involved

In the first batch of indictments handed up by the Philadelphia grand jury, the following companies were named as defendants:

Allis-Chalmers Mfg. Co.; A. B. Chance Co.; Federal Pacific Electric Co.; General Electric Co.; Hubbard and Co.; I-T-E Circuit Breaker Co.; Joslyn Mfg. and Supply Co.; Lapp Insulator Co., Inc.; McGraw-Edison Co.; Ohio Brass Co.; The Porcelain Insulator Corp.; H. K. Porter Co., Inc.; Southern States Equipment Corp.; Westinghouse Electric Corp.

Officials had confessed to him that they had discussed prices with some competitors. Cordiner's speech was—as it turned out—a clear sign that the companies fully expected to be hit and hit hard.

In the electrical equipment cases, the government gives names, dates, meeting places, code names, secret formulas, etc.

Here's how the government's case on power switchgear assemblies reads:

Since at least Jan. 1956 until Dec. 1956, representatives of four of the companies met in various cities and allocated among themselves sales of power switchgear assemblies to federal, state, and local agencies under sealed bid invitations. The allocation gave each manufacturer an agreed upon percentage of the total sealed bids, as follows: GE—42%; Westinghouse—38%; Allis-Chalmers—11%; and I-T-E—9%. Particular bid invitations were discussed, and one manufacturer was designated to submit the lowest bid at these meetings. In addition, the companies' representatives allegedly agreed at these meetings on the price each manufacturer would quote in response to inquiries from utility companies, private industrial corporations, and contractors.

On about Nov. 9, 1958, continues the indictment, representatives from these same companies plus Federal Pacific Electric Co. met at the Traymore Hotel,

Atlantic City, N. J., and agreed that 1. all except Federal Pacific would sell to private industry at "list" or "book" prices; 2. that Federal Pacific would be allowed to quote prices on such sales at a specified differential below the prices quoted by the others; and 3. that further meetings would be held to allocate bids to government agencies on a revised percentage share schedule. The new allocation set up this share of government sealed bid business: GE—39%; Westinghouse—35%; I-T-E—11%; Allis-Chalmers—8%; and Federal Pacific—7%.

Next, according to the indictment, the representatives met about Nov. 14, 1958 at New York City to establish a "... systematic procedure for carrying out the agreements reached at the Nov. 9, 1958 meeting. At this meeting the defendant manufacturers agreed that the GE Co. price list previously published and then in effect would be the 'book' or 'list' price for power switchgear assemblies."

Thereafter, says the grand jury, at least 35 periodic meetings were held between Nov. 1958 and Oct. 1959 in various cities. These meetings, a formula "... for quoting nearly identical prices to electric utility companies, private industrial corporations, and contractors was used by the defendant manufacturers, designated by them as a 'phase of the moon' or 'light of the moon' formula ..."

Use of this intriguing phrase—"phase of the moon"—to describe the quoting prices is bound to haunt the future prosecution of the case. The government describes it as "cyclic rotating positioning," by which one company would quote the low price, others would quote intermediate prices, and another would quote the price. These positions would then be periodically rotated among the manufacturers, says the government, and thus its name "phase of the moon."

Specifically, the government

says the formula "was so calculated that in submitting prices to these customers, the price spread between defendant manufacturers' quotations would be sufficiently narrow so as to eliminate actual price competition among them, but sufficiently wide so as to give the appearance of competition."

Formula's Effect

The simple effect of the formula, in the government's view, was that it "permitted each defendant manufacturer to know the exact price it and every other defendant manufacturer would quote on each prospective sale."

There are other acts alleged as part of carrying out the conspiracy—such as use of the periodic meetings to designate successful bidder on government contracts and to change prices. Because of the necessity of frequent oral or written communication between the representatives of companies involved, the government also alludes to the use of various gimmicks such as code numbers as sole identification of the sender of a communication.

The suits charge prices have been maintained at artificially high prices, various types of buyers have been deprived of competitive pricing, and that government agencies have been denied the right to receive competitive bids and have been forced to pay artificially-fixed high prices.

Big Fine Involved

A government victory on criminal charges would cost each company a \$50,000 fine in each case—and a lot more than that in legal fees if the companies decide to defend the charges in court. Each company official could also be fined \$50,000 and/or sentenced to one year in jail in the criminal cases. In the civil suits filed along with the criminal indictments, the Justice Dept. asks various forms of injunctive relief against any further violations of the type allegedly committed.

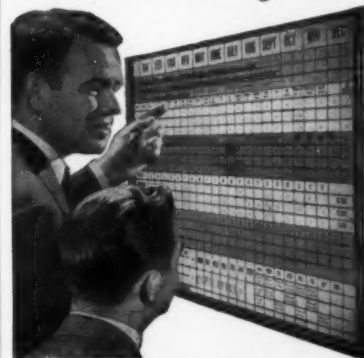
Price Changes for Purchasing Agents

Item & Company	Amount of Change	New Price	Reason
INCREASES			
Flannel, gray canton, yard.....	.01	....	high demand
Quinidine sulfate, 1000-oz. lots, oz.....	.04	..745	good demand
Chlorbutanol, USP, March 1, 100-lb. dms., anhydrous, lb.....	.35	\$2.65	good demand
hydrated, lb.....	.10	\$2.00	good demand
Tires and tubes, Dayton.....	3-5%	....	Goodyear's lead
Corduroy fabrics, Greenwood, Cone, Compton Rich., yd.....	.015-.02	....	tight supply
Tin Salts, Potassium stannate, lb.....	.004	..784	metal boost
Sodium stannate, lb.....	.004	..642	metal boost
Crystals, anhyd., lb.....	.006	\$1.007	metal boost
Copra, coast, ton.....	\$5.00	\$240.00	
REDUCTIONS			
Glycerine, natural, crude, soap lye, lb.....	.005	.19	low demand
saponification, lb.....	.005	.21	low demand
Hydrofluoric acid, Blockson, Inkers., aqueous 70%, cwt.....	\$2.10	\$13.40	
anhydrous, cwt.....	\$3.00	\$18.00	
TFE fluorocarbon shapes, Polymer Corp.....	3-7%	....	cost reductions
Silicon transistors, diffused, high perf., Fairchild, 6 groups.....	25%	....	prod. econs.
Low-boron magnesium oxide, Intl. Min. & Chem., blk, ton.....	\$80.00	\$155.00	
Fuel oil, #2, Gulf Coast, refiners, gal.....	.00375	.08	mild weather
Kerosene, Gulf Coast, refiners, gal.....	.005	.09	low demand
Rosins, Portugal, (C.I.F. London), June shipm't, wg, cwt.....	.61	\$12.98	competition
Katy & Mary, cwt.....	.58	\$12.86	competition

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Purchasing Perspective

FEB. 22-28

(Continued from page 1)

and other antitrust-minded legislators have expounded for some time. For several years Kefauver has been running hearings on so-called "administered prices"—hitting steel, autos, oil, bread, and currently, the drug industry. The basic charge running through all his hearings is that big companies in concentrated industries have power to set prices arbitrarily—with little regard to supply and demand factors. The rest of the industry usually follows this lead, as Kefauver puts it, with the result that almost identical price increases and uniform prices develop—all apparently without any express agreement.

What Kefauver has been driving at is that under present law, there is no clear antitrust violation in any of this—unless express agreement can be shown. Kefauver and his staff have been hinting that some kind of new antitrust legislation is needed. And while there has been little support in Congress for recently proposed ideas to police industrial pricing more closely, there is nevertheless a hard core group working toward that goal.

Federal attorneys handling the Philadelphia indictments contend that in the case of the electrical equipment industry they can cite chapter and verse on efforts to set prices and divide markets. They were unable to do this in the Salk vaccine and oil cases.

Still, the Philadelphia action may not end all the talk about devising a new law to deal with price uniformity. But Justice Department sources suggest that the new antitrust prosecutions will surely demonstrate that the Sherman Act is far from an outmoded weapon against identical prices and price fixing.

BUYERS NOTES—Foundry P.A.'s are on the verge of a \$500-million capital equipment shopping spree. Most needed equipment during the next two years, according to the American Foundrymen's Society, will be materials handling equipment. . . . McGraw-Hill's *Chemical Week* reports shipping bag-makers are counting on a just-introduced resin, especially tailored by Phillips Chemical Co. for heavy duty plastic shipping bags, to help break the price barrier that has hampered acceptance of the 10-million-density film. Other polyethylene resin producers are rushing to get their new bag-use resins into production.

'60 Outlook: Optimism and Caution

(Continued from page 1)

the recent easing in stainless, tool, and other specialty steels. U. S. Steel announced closing of its electric welding pipe mill at McKeesport, Pa. because of a seasonal decline in demand for large diameter pipe. Operation reductions also were reported at various West Coast mills, indicated that customers who placed heavy orders after the steel strike now apparently have re-established their inventories.

The lower volume of incoming orders during the fourth quarter of 1959 will show up in a lower dollar volume in 1960, according to the McGraw-Hill analysis of capital goods forecasts. In reporting their outlook to McGraw-Hill, machinery companies predicted new orders will continue to rise through the third quarter of this year, but then will dip off slightly in the final quarter.

The mixed machinery pattern revealed by the survey is borne out by a spot check of leading firms around the country.

One big Midwest manufacturer of pumps and engines told PURCHASING WEEK that incoming orders were "a little slow" and down from last year. But he qualified this statement with the comment that a current high rate of inquiries indicated to him that some pickup seems likely.

The "so-so" outlook also was reflected by an Eastern manufacturer of materials handling equipment. He stated that "our current rate of business is unchanged and unimproved from a

year ago." But, at the same time, he feels "the upturn in general business activity will boost our business by early in the third quarter."

A qualified optimistic view—and one held by many of those queried by PURCHASING WEEK—is revealed by a major Midwestern manufacturer of non-electric machinery.

"Orders are coming slightly better than a year ago," he says. "However, we are becoming more and more aware of foreign competition. It could hurt our business in the long run."

To give you a better idea of where industry strengths and weaknesses lie, the McGraw-Hill survey divides its forecast into six major machinery areas.

Comparing average 1960 with average 1959—here in a nutshell is how each machinery category shapes up:

- Pump and compressors—up 30%.
- Engines and turbines—up 75%.
- Construction and mining machinery—up 8%.
- Metalworking machinery—up 20%.
- Office machinery—up 13%.
- Other industrial machinery—this is the only group showing a decline—and it's a considerable one—on the order of 10%. This group makes up more than half the total index and includes such categories as general industrial machinery, textile machinery, oil drilling equipment, food machinery, etc.

Year of Decision: Can The Seaway Get Its Costs Down Soon Enough?

(Continued from page 1)

dock facilities, adding loading and unloading equipment along with additional warehouse facilities. The two main terminal operators in Detroit, for example, are sinking \$3½ million in new equipment this year, which will provide four more berths for ocean-going vessels, bring the port's total to seven.

● **PRODUCTS:** While bulk commodities, such as grain and iron ore, constituted the major percentage of cargo shipped via the water route last year, purchasing agents can expect a substantial increase in general cargo handled in 1960.

This will include such commodities as machinery, crude rubber, certain steel products, textiles, lubricating oil, lumber, foreign cars, as well as liquor, tea, gold fish and fish food, and juke boxes.

● **RATES:** An average 10% increase in steamship rates is expected to go into effect simultaneous with the opening of the Seaway. While this move means slightly higher costs, it also spells greater rate stability.

● **RAILROADS:** There will be no joint water-rail rates this year. Railroad and steamship officials failed to arrive at a workable plan at a winter conference. On the other hand, several railroads, particularly the New York Central, have been ambitiously cutting rates to meet Seaway competition. Besides grain, the Central has cut rates on imported cars, bauxite ore, and has filed for reductions on export-bound autos, lard, agricultural implements and canned goods. Rate cuts on other products are also in the making.

Last year, the first use of the enlarged Seaway facilities showed the waterway was not quite the full answer to shippers' needs. There are numerous problems, stemming mainly from poor port facilities and lack of experience on the part of ship pilots, crews, workers on Seaway locks, and stevedores. But some companies overcome the problems:

Dow Chemical Co. found it could ship full-year quantities of materials overseas during the 8-month Seaway shipping season, pay storage costs abroad, and still wind up with large savings.

The Willys Co. of Toledo, Ohio, Jeep manufacturers, saved about \$25 per jeep by using the waterway instead of shipping overland to seaboard points.

Diveco-Wayne Corp. was another that found savings on the St. Lawrence. It said it saved approximately \$600 per 100 tons in exporting bus bodies from its Richmond, Ind. plant.

Then there were other shippers who were less pleased—in fact, quite disillusioned. Clearing Machine Co., Chicago, was one. "We did considerable importing via the Seaway last year—and it stank," a company official said frankly.

Here's its story, one told by many initial users of the water route:

"Outbound shipments were not much of a problem, but the inbound side is no good," the official explained. "Unloading the ship is no problem, but going through customs and then loading

onto an overland transport is where the problem lies.

"You have to pick up your own shipments. All customs does is tell you when and where you can pick it up. There is only one tramrail hoist to lift shipments from the dock onto a truck—and everybody and his brother is wanting to use it at the same time. The delay caused by going through customs and in trying to get the shipment onto a truck is really bad," he added.

These delays caused Clearing to lose some customers. Clearing bought an English lathe manufacturer, and the lathes and parts continued to be made in England. There was so much delay in bringing spare parts into the Midwest via the waterway that some customers discarded their English lathes and turned to other makes.

Clearing's future plans? "We will continue to use the Seaway for outbound shipments," the

Semiconductor Firms Ask For Import Probe

Washington—The Electronics Industries Association, representing this country's major semiconductor manufacturers, renewed its plea last week for a government probe of Japanese transistor imports.

In a statement filed with the Office of Civil and Defense Mobilization, EIA asked the government to:

- Vigorously investigate the defense impact of imports.
- Recommend to President Eisenhower whatever action is deemed in the national interest.
- Keep electronic imports "under continuous surveillance" as long as they remain a threat to national security.

Last week's statement was a reply to Japanese importer rebuttals of the EIA's petition to OCDM last fall. The petition claimed that imports threatened national security by cutting into profits used by domestic manufacturers to develop high-cost military semiconductors.

"We have not asked for any specific action," admitted an EIA spokesman. "We hope, however, that the investigation will result in an OCDM request to the State Department to begin negotiations with Japan for a fair quota restriction on imports to America."

The EIA official called current transistor imports to this country "unfair competition" because the Japanese "pay their workers one-fifth the wages of American workers." As a result, he went on, the Japanese are able to sell "entertainment-type transistors for 80 cents, as contrasted to an average price of \$1.35 charged for a comparable American product."

Japanese imports, he pointed out, have risen from 13% in 1958 to almost 20% of total transistor sales in America (96 million units last year). "Their industry is still expanding," he added.

company official said, "but will try to keep inbound shipments to a minimum until inventories are large enough so that delays will not cause so much worry—or until port facilities are improved enough to overcome such delays."

Both the U. S. and Canadian Seaway Authorities are reluctant to predict any tremendous or even healthy increase in tonnage shipped this year. In fact, Canadian officials are predicting fewer ships will use the Seaway this year, possibly carrying a larger quantity of cargo in total.

This again points up the gradual approach shippers will take this year—a year that will be one of experimentation. Here's how the situation breaks down, port to port:

● **BUFFALO:** Purchasing agents here are convinced it takes plenty of study and planning to make efficient use of the Seaway—either shipping or receiving. Now that they have a better picture of the operation, a number of firms that adopted the "wait and see" attitude last year, said they will start using it this year.

● **CLEVELAND:** One of the "big tests" of Seaway economy and efficiency has been lined up by the five largest U. S. rubber companies—Goodyear Tire & Rubber, Firestone Tire & Rubber, U. S. Rubber, B. F. Goodrich, and General Tire & Rubber.

They are banding together to import 3,300 tons of rubber from the Far East. This will be the first rubber shipment to be routed over the Great Lakes and will be "strictly experimental," say company officials. They contend that if Cleveland or other lake ports cannot handle the rubber "expeditiously," it will be the last.

Another encouraging sign is that other large shippers also plan to give the Seaway a real trial this year. Their reason: They cannot afford to overlook any opportunity to make substantial transportation cost savings where possible.

● **CHICAGO:** The first National Bank of Chicago is so encouraged about the future of foreign trade here that it opened a permanent London office to handle bank loans for imported goods inventories.

The Chicago Assn. of Commerce and Industry, while not overly optimistic concerning the immediate future, does predict a good increase in companies using the waterway.

● **DETROIT:** Because this port was one of the major bottlenecks in Seaway operations last year, shippers here are more cautious than elsewhere. However, a number of firms, such as Burroughs Corp., office machine makers; J. L. Hudson Co., a large department store; and Mario's Food Products, Inc. will either continue or step up their use of the waterway.

● **MILWAUKEE:** In contrast to most other Seaway ports, shippers here were pleased with their initial use of the water route last year—despite some delay problems. Facilities are being expanded rapidly and port officials look for healthy increase in export-import business this year.

Freightmen Lash 'Pseudo' Nonprofit Shippers

Freight Forwarders Institute Pushes Campaign To Force 'Associations' Out of the Business

Washington—Regulated freight forwarders are increasing their efforts to put what they termed "pseudo" nonprofit shipping associations out of business.

Giles Morrow, president of the Freight Forwarders Institute (FFI), charges that "this new species of freight forwarder is growing in number, soliciting, advertising for traffic, quoting rates, performing complete forwarder service, but calling himself an association."

Morrow says he claims no quarrel with "legitimate associations" who group together to cut transport costs by pooling LCL shipments. But, he adds, the FFI will "press for ICC decisions all

U.S. Leasing Corp., PIE Announce Their Plans to Consolidate Operations

San Francisco—United States Leasing Corp. and Pacific Intermountain Express, Oakland, Calif., last week announced agreement on a plan for consolidation.

The plan will be presented to Boards of Directors of PIE and USL for approval, and submitted to shareholders of both companies.

PIE, a common carrier, operates over a 24,000-mile system with 3100 direct service points in the western two-thirds of the U. S. It also operates equipment throughout the country by interchange agreement with other carriers.

U. S. Leasing, reputedly the largest company in its field, leases any kind of industrial and transportation equipment except expendables to almost every type of industry.

Japan Now Plans a Foray Behind Tariff Barriers

Tokyo—Japanese manufacturers, faced with increasing discrimination against their bargain-priced goods in many world markets, are forging plans to build facilities behind foreign tariff walls.

While no plans involving the U.S. have been revealed as yet, recent moves in the "building abroad" program include:

● **Canada:** Ebara Manufacturing Co., Tokyo, plans to construct a farm pump assembly plant in an undisclosed western Canadian province. The go-ahead for the 5,000-unit-per-year factory came when Royal Bank of Canada assured Ebara it would finance 65% of the construction costs over a six-year period at 6% annual interest.

● **The Netherlands:** Toyota Motor Co., one of the leading Japanese auto firms, is setting up a subsidiary assembly plant in the Netherlands for Corona model passenger cars.

● **Argentina:** A Japanese syndicate, made up of Kawasaki rolling Stock Mfg. Co., Kawasaki Dockyards, Kawasaki Aircraft Co., and Nissho Trading Co., has submitted plans for a \$2 million railway car assembly plant in Buenos Aires.

● **Commercial operations.** Legitimate associations require "membership," says Morrow. The "pseudo" car pool operator "gives away" membership in his group with every shipment he receives.

● **Common carriers.** Fringe associations are continuously soliciting new business, publishing their rates, and transporting goods, Morrow complains. Legitimate nonprofit groups generally have nothing to do with actual transport of goods.

Although the ICC as yet hasn't

launched the all-out investigations of nonprofit associations requested by the Institute, the Commission is now looking into ten individual cases. These involve, among others, Mars Terminal Consolidating Co., Inc., of Boston, Carload Shippers Assn., Inc., St. Louis; Southern Bonded Warehouse Co., Houston; New Orleans Shippers Assn., Inc.; Atlanta Shippers Assn., Inc.; and Eastern Shippers Assn., Inc.

Of two other cases, one—against the Pacific Coast Wholesalers Assn.—was thrown out of

the Supreme Court. In the other, the association closed up shop before the investigation got underway.

The FFI's biggest opposition is coming from the National Conference of Non-Profit Shipping Association, representing some 20 cooperative groups. This association claims the FFI's request for a probe is only the first step in a drive to wipe out all non-profit shipping groups.

"The regulated freight forwarders have no more right to preferential protection than any other regulated transportation agency," Caughey Culpepper, chairman of the association, declares.

How to "ACT YOUR AGE"

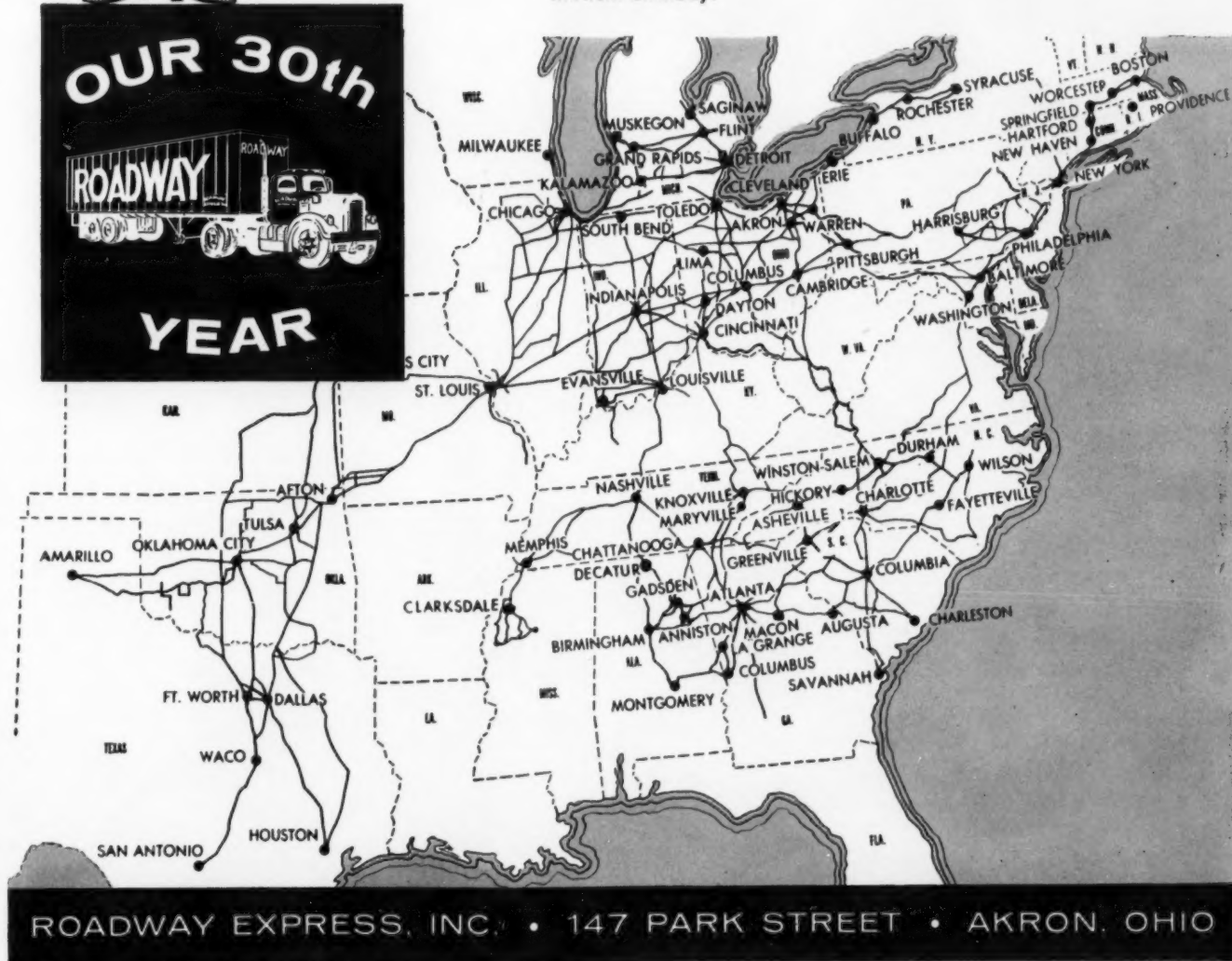
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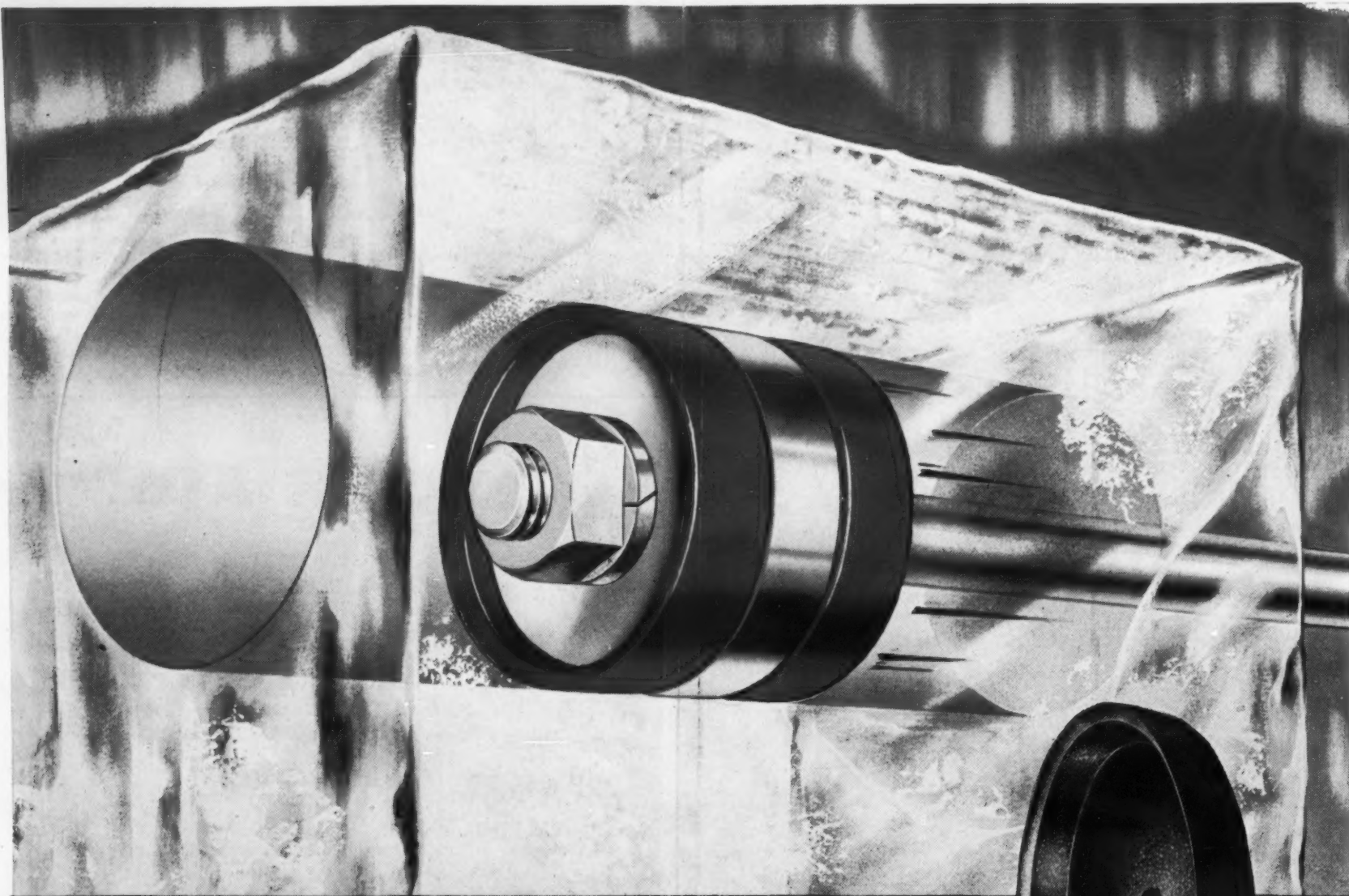


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